The NGO Sector in Indonesia: Context, Concepts and an Updated Profile

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Prepared for the Department of Foreign Affairs and Trade

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Disclaimer

This research was carried out in collaboration with the Government of Australia, but the analysis and findings presented in this paper represent the views of the authors and do not necessarily represent the views of that Government. Any errors are the authors' own.

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List of Abbreviations

AU$	Australian Dollar
DFAT	Department of Foreign Affairs and Trade, Government of Australia
FGD	Focus Group Discussion
IDR	Indonesian Rupiah
NGO	Non-Government Organisation
NSSC	NGO Service and Study Centre
SNA	Social Networks Analysis
AusAID	Australian Agency for International Development (defunct)
GDP	Gross domestic product
KKB / KBK	*Koalisi Kebebasan Berserikat* (Coalition for the Freedom of Association)
INGOs	International Non-Government Organisations

Glossary

NGO	Non-government organisations (NGOs) are part of civil society, 'a wide and growing range of non-government and non-market organisations through which people organise themselves to pursue shared interests or values in public life,' according to DFAT's Civil Society Engagement Framework. Civil society organisations are a space through which the public checks the power of the state and market by advocating for justice in social and economic matters, and by addressing social development needs that the state and market do not or cannot address. Membership in civil society organisations is voluntary and organisations are self-governing with any profits turned back into the organisation rather than into the hands of private individuals. Under a level of operations framework, civil society organisations include community-based organisations (*organisasi berbasis masyarakat*), which operate at a local level and depend on membership contributions to operate, most often in service to those same members. Like the NGO Sector Review (STATT, 2012), this design distinguishes NGOs from community based organisations by their more complex organisational structure, reliance on paid or voluntary staff, minimum financial base and focus on serving others through direct service, community organising and / or advocacy rather than engaging in self-help.
NGO sector	The NGO sector is the collective of NGOs that operate in a given space. Different NGOs serve different functions and different communities but are affected by the same enabling environment, and thus have common interests and challenges.
National NGO	NGOs whose work covers two or more provinces or cover more than five districts in different areas of the country.
Local NGO	NGOs whose work covers only part of a district or one whole district.

Abstract

This brief is the first in a series exploring the analysis of original research conducted during the design process for an NGO sector support facility. It sets out the contextual and conceptual framework that underpinned the research and draws out key themes emerging from the findings. Additionally, it provides a substantive update upon research on the NGO sector conducted in 2012. The brief sets out the historical background from which the NGO sector in Indonesia has emerged, and describes, based on the findings of the field research, its current profile.

1 Background

Over the last 15 years, Indonesia has undergone several successive democratic transitions of power, seen an increase in decentralised decision-making, and has emerged as a lower middle-income country. During this time, the NGO sector in Indonesia has been a key driver of political, economic and social reform, including on issues such as women's rights, anti-corruption, freedom of information, and religious tolerance. The NGO sector also made critical contributions to sustainable economic growth and poverty reduction. Yet the continued ability of the NGO sector to play these roles is of critical concern in the face of declining international donor financial support as Indonesia's economy grows and the consolidation of Indonesian democracy and reform.

Australia's Department of Foreign Affairs and Trade (DFAT) embarked on a project to design a *National NGO Study and Service Centre for Poverty Reduction and Development* (NSSC) in the latter half of 2014 and early 2015. The focus of the NSSC, as set out in the design, is to support the NGO sector in Indonesia to address the challenges it faces as international donor support starts to become significantly reduced. A key concept that underlay the research conducted during the design process is the importance of supporting the sustainability of individual organisations and the NGO sector as a whole. The term 'NGO sector' is used to describe the collective of NGOs that operate in a given space. Different NGOs serve different functions and different communities, but experience common trends and policy environments, and thus have common interests and challenges.

Despite the importance of the NGO sector, there was not a comprehensive body of work on which the NSSC design team could rely that discussed factors influencing the sustainability of the Indonesian NGO sector and its continued ability to fulfil its roles. Work for a NGO Sector Review in 2012 included a broad review of the literature available and noted the scarcity of knowledge on Indonesian civil society and NGO sector, especially its enabling environment.[1] Desk research conducted as part of the NSSC design confirmed only two significant additions to the analysis and literature had become available since then.[2]

The NSSC Research Series, for which this brief serves as an introduction, represents a step to addressing that gap. The main purpose of this series is to compile and disseminate key findings from the research conducted in the 2014 and early 2015. It is hoped that the research briefs presented in this series will be useful and informative to individuals from the NGO and donor communities, government, private sector, and general public who have an interest in achieving a strong NGO sector in Indonesia. While the material in the research series is based on rigorous research and analysis, the writing is intended to be accessible to practitioners and stakeholders who share an interest in supporting NGOs and ensuring the sustainability of the sector in the future.[3]

The series includes briefs that describe the current trends and practices within the NGO sector in Indonesia on the topics set out below, provide context on international trends in these areas, and set out actionable recommendations for various stakeholders. Contributors to the research series are members of the original NSSC research and design team who participated in the collection and analysis of data in various ways, as well as a pair of networks analysts and an editor brought in especially to contribute to the series.

This brief, the first in the series, provides an overview of the status and profile of Indonesia's NGO sector as well as exploring the key concepts that drove the research conducted as part of the NSSC design and emerged from the findings of the data. The other briefs in this series examine:

> Funding and addressing the fundraising challenges faced by Indonesian NGOs (Benjamin Davis).

> Human resources and leadership regeneration in the NGO sector (Tuti Alawiyah).

[1] STATT, 2012.
[2] The exceptions are a Civil Society Index (Fitri et al., 2014) and a Civil Society Sustainability Index conducted by Konsil LSM in April 2015. (As of August 2015 the report has not been shared publically but is expected to be released later in 2015).
[3] Lassa and Liu's piece providing a description of their social networks analysis of Indonesian NGOs (Brief No. 4) is somewhat more technical than Davis's piece on funding diversity (Brief No 2) and Alawiyah's piece on human resources management and leadership in the sector (Brief No 3). However, in all pieces the authors strived to provide conclusions and recommendations accessible to a non-academic/non-technical audience.

> Networks among NGOs and with government and the private sector (Jonatan Lassa and D. Elcid Liu).

These topics correspond to goals identified from the research and extensive consultations with stakeholders conducted during the design process as being necessary to achieve a strong, sustainable NGO sector; namely, one that:

> has equitable and constructive engagement with government and private sector;

> is well-governed, independent, accountable; and

> has adequate, diversified funding.

The findings of the field research and consultations indicate that the NGO sector in Indonesia is faced with significant challenges in all of these areas. The other three briefs in the series provide recommendations for how various stakeholders can work to mitigate such challenges. The purpose of this brief, as an introduction to the other three briefs, is to provide background and context for the briefs in the series that follow as well as to provide updates on the overview findings from the 2012 NGO Sector Review. It does not aim to provide actionable recommendations. Rather, it provides readers with an overview of the conceptual framework guiding the research. It also describes and discusses the specific historical and social, political and economic context in which NGOs in Indonesia operate. The research findings are then used to describe the current make-up and profile of NGOs in Indonesia.

2 Research overview and methodology

The process of designing the NSSC included a comprehensive research agenda.[4] The research ensured that the design was supported and validated by evidence on the needs and goals of the NGO sector in Indonesia. The data and findings from this research fed directly into development of the NSSC design document and its supporting annexes. The research and design phase also yielded results, findings and information relevant to share to a broader audience, which as mentioned, is the purpose of this research series.

The 2014–2015 research built on a DFAT-supported research project conducted in 2012, the NGO Sector Review. The primary objective of the NGO Sector Review was to gather existing information and knowledge on NGOs, the NGO sector and relationships to other sectors in order to identify areas where DFAT (then AusAID) could make strategic support and investments to towards Australia's poverty reduction goals in Indonesia. The NGO Sector Review consisted of structured desk review, media scanning, limited field research in two Indonesian districts, consultations with a wide range of stakeholders in and knowledgeable about the NGO sector, and analysis and mapping of quantitative data. It also included an initial analysis of financial data about Australian aid projects in Indonesia.

The NGO Sector Review helped DFAT identify questions for further study and a methodology that directly informed the research conducted in 2014–2015 for the NSSC design. In addition to operational and strategic questions that were necessary to informing the design at a technical level, the broad questions that informed the research related to the concepts are explored in section 3 below. The central conceptual issue that drove the research and was the basis for the action recommendations that emerged in the form of the NSSC design document is the sustainability of Indonesia's NGO sector. This theme is reflected across the board in the findings of the research on the issues of human resources management and leadership, funding diversification, and networks that emerged during the data collection and analysis process. The data collection included extensive consultations with stakeholders who are involved in and around the NGO sector. Though the purpose of such consultations was to develop an evidence base for the NSSC design, the research yielded timely and unique data that will be of interest to a wider audience, including the stakeholders who were part of the research and consultation exercises.

[4] A methodological overview in Annex 1 provides more detail of the research methods of the field research.

Each 2014–2015 research activity had its own specific set of questions and methodologies which are described briefly below and explored in more detail in Annex 1. The mixed methods research included field research, networks analysis, a review of DFAT program data, and desk research.

2.1 Original field research

The field research conducted for the NSSC design consisted of both survey and qualitative research. The quantitative surveys were structured, in-depth surveys of 105 sub-national NGOs in seven cities / districts within four provinces, and 42 national / support NGOs. Sites were systematically selected so that the findings that emerged could reasonably be used to draw conclusions for the state of the NGO sector overall in Indonesia. Semi-structured interviews and focus group discussions were held in the same seven cities / districts with 214 distinct individuals from district / city government, the private sector and NGOs. A total of 361 individuals were surveyed, interviewed, or participated in focus group discussions. Building on the 2012 NGO Sector Review and the research team's knowledge of more recent developments in the NGO sector, the field research covered themes such as:

> the roles and functions of NGOs;

> networks and relationships among NGOs;

> NGOs' relationships with government and private sector;

> enabling environment such as policies, services, gender equity and inclusiveness that affect NGOs' ability to fulfil their roles;

> NGOs' funding levels and sources;

> NGO accountability, governance structures and processes; and

> human resources, effective leadership and organisational management.

2.2 Networks analysis

This research was based on the data collected through the field research. Specialists in Social Networks Analysis (SNA) Lassa and Liu, the authors of the networks piece in this series, analysed the data from the field research and the review of DFAT's engagement with NGOs using a SNA approach. The networks analysis examined connections between NGOs in Indonesia at an institutional level, using visualisations generated using analytics software. The visualisations offer insights into the structure and stability of the examined network. The analysis also included testing scenarios where key 'hubs' (the most influential organization in a network) were removed from the network, in order to highlight the effect of network collapse and discuss steps that can be taken to mitigate the problems that could arise.

2.3 A review of DFAT programs in Indonesia

The review of DFAT's engagement with NGOs in Indonesia aimed to provide information that would answer four key questions:

1. How much funding does DFAT provide to Indonesian NGOs?
2. What are the primary delivery channels for funding to Indonesian NGOs?
3. How does working with Indonesian NGOs contribute to achieving DFAT development goals?
4. How does DFAT aim to strengthen Indonesian NGOs and has this been successful?

The review analysed DFAT engagement with NGOs in Indonesia through examining program documentation and primary data collected through interviews, a focus group discussion and a limited survey with NGOs that DFAT has funded about their experiences working with international donor agencies generally.

2.4 Desk research

Additionally, desk research looked at international comparative literature to investigate international trends and up-to-date thinking on civil society and NGOs. The focus of the research was on topics including the role of international non-government organisations (INGOs), the concept of sustainability, and the strengths and challenges of intermediary and resource organisations in Indonesia.

3 Key Concepts

There are several key concepts that are central to understanding the analysis of the topics in this series. The sustainability of Indonesia's NGO sector, as highlighted above, was the key concern that arose from the research, consultations, and analysis. Integrally related is the concept of the 'enabling environment' in which the NGO sector operates. Finally, two other issues that are important to understanding Indonesia's NGO sector and the topics in the series are the role of individuals within the NGO sector and diversity within the sector.

3.1 Sustainability

Each of the topics covered in the series relate integrally to the underlying rationale for the research that was conducted; that is, identifying ways to improve the sustainability of the Indonesian NGO sector. There are several ways to frame the concept of sustainability. One approach looks at sustainability of results from any project, program or other effort of an organisation as the aim of any development endeavour.[5] The assumption of this framework, which also guided the research for the NSSC design, is that NGOs '[s]hould not exist for their own purpose. … [They should] add value to the contexts in which they work'.[6] Indeed, the NGO sector in Indonesia has been a key driver of political, economic and social reform, including on issues such as women's rights, anti-corruption, freedom of information, and religious tolerance. The NGO sector also made critical contributions to sustainable economic growth and poverty reduction.[7]

Another way to frame sustainability, and the way which is the focus in this series and the research that underpinned it, is the sustainability of NGOs as institutions and the NGO sector that they make up. A related assumption is that good and sustainable outcomes require organised efforts to achieve them, and these are most likely to be consistently positive when institutionalised in some way. The institutional-level definition of sustainability includes 'organisational sustainability' or 'embedded capacity in the organisation rather than individuals'.[8] Financial sustainability, the most commonly used definition, is just one part of the broader framework. Under this functional approach, a sustainable NGO is usually analysed from a number of organisational elements, including funding, management and governance, values, mission, legitimacy and leadership.[9]

3.2 Enabling environment

The concept of the 'enabling environment' is interrelated to the question of an NGO sector's enabling environment. The enabling environment includes the NGOs as institutions themselves; their finances; laws and regulations that affects them; support from policy makers and the general public; and strong partnerships and networks.[10] The concept recognises that individual institutions do not operate in a vacuum, nor do networks or collectives of organisations. Macro-level factors make a difference for how NGOs function and the outcomes they are able to achieve, whether independently or collectively. Section 4 below provides an overview of the political / policy, social and economic environment in which the Indonesian NGO sector has historically operated in and is as of mid-2015.

[5] FHI 360, CAP, and USAID, 2011.
[6] PRIA, 2012
[7] These effects have been documented elsewhere: see STATT, 2012.
[8] Low and Davenport, 2002.
[9] See for example Okorley and Nkrumah, 2012 and Aldaba et al., 2000.
[10] CIVICUS, 2013; PRIA, 2012

Each of the briefs in the research series touches on all aspects of the enabling environment in different, overlapping ways. An example is the way government regulations on tax incentives for philanthropy (or lack thereof) can affect the availability of alternative forms of funding that could help NGOs reduce dependence on traditional and dwindling sources of funding from international donor agencies (as discussed in Davis's brief in this series). Other examples include the way funding limitations can mean NGOs are unable to properly recruit, compensate, train and retain stuff and build new generations of leaders, or how operating in a paternalistic culture means decision-making in NGOs can be improperly centralised among senior staff (as discussed in Alawiyah's brief).

In a global context, Indonesia was ranked 59th out of 109 countries on a measurement of its enabling environment for civil society including NGOs.[11] Indonesia's score of 0.52 was considered lower than the global average (0.58) and lower than developed countries in the Asia-Pacific region such as New Zealand and South Korea. However, compared to other neighbouring countries, Indonesia has higher score than Thailand (0.50), Malaysia (0.44) and Vietnam (0.37).[12] While the rank on governance dimension is within the global average, Indonesia still faces challenges to strengthen the NGO sector including the issue of funding and sustainability[13] and weak intermediary support organisations that provide support for other NGOs. On the socio-economic dimension, Indonesia was ranked number 78 with the score of 0.43, which is lower than the global average of 0.54. However, Indonesia was ranked high in the socio-cultural dimension as number 15, with the score of 0.62, which is higher than the global average of 0.52.

3.3 Role of individuals

Along with the enabling environment, the role of individuals in institutions and within the NGO sector as a whole is an important factor to understanding how the NGO sector functions. As will be highlighted in Alawiyah's piece in the series, Indonesia's NGO sector has been driven by individual activists and personalist politics.[14] Moreover, individual relationships and patronage networks strongly influence relationships within the NGO sector and among NGOs, the government and the private sector. This varies by region (see Section 3.4 below). For instance, in East Java, NGOs that are affiliated with the *Nahdlatul Ulama*[15] easily win the trust of government to run programs compared to other NGOs, which must go through complicated verification processes. In contrast, in Jambi relationships between environmental NGOs, government and the private sector tend to be tense due to often antagonistic approaches of environmental NGOs towards the government and private sector.

Personal relationships tend to ease tension and lead to collaboration. Important instances of collaboration in Jambi were driven by individual relationships across institutional lines, such as a contract with government to preserve thousands of acres of lands or gaining government support to rebuild communities impacted by the natural resources exploitation, including working with indigenous communities.

3.4 Diversity within the NGO sector

A final concept that is helpful for understanding the issues discussed in this series is the diversity within the NGO sector. There are significant differences in the environment and challenges faced by NGOs that operate at a city / district level compared to those with a provincial, multi-provincial or national scope. There also differences in challenges faced by organisations that take a service delivery approach compared to those that focus on advocacy and policy change, and differences across geographical locations. Real differences emerged in analysis of field data when grouping NGOs and comparing them on the basis of their access to Jakarta and provincial capitals. (See Section 4.2 below for comparisons of NGOs operating at a national or multi-province scale, in a provincial capital, in a city or district near to the provincial capital or one far from it.)

[11] Ashman, Carter, Goodin, and Timberman, 2011.
[12] See CIVICUS, 2013.
[13] PRIA, 2012.
[14] See STATT, 2012 for more discussion on this; see also Antlöv, Brinkerhoff, and Rapp, 2010; Antlöv, Ibrahim, and van Tuijl, 2006.
[15] Indonesia's largest mass-based Islamic organisation, which has a strong presence in East Java.

4 Indonesia's NGO sector – an overview

This section provides an overview of the profile and context of Indonesia's NGO sector, which will be helpful for readers of the series in understanding the key topics explored in the other pieces. Like the rest of the series, the discussion that follows draws heavily on the field research conducted as part of the NSSC design process. It also refers, where appropriate, to the 2012 NGO Sector Review[16], on which the 2014–2015 research built.

It is worth noting at this point that NGOs are part of civil society, 'a wide and growing range of non-government and non-market organisations through which people organise themselves to pursue shared interests or values in public life'.[17] Civil society organisations are a space through which the public checks the power of the state and market by advocating for justice in social and economic matters, and by addressing social development needs that the state and market do not or cannot address. Membership in civil society organisations is voluntary and organisations are self-governing with any profits turned back into the organisation rather than into the hands of private individuals. Under a level of operations framework, civil society organisations include community-based organisations (*organisasi berbasis masyarakat*), which operate at a local level and depend on membership contributions to operate, most often in service to those same members. Like the 2012 NGO Sector Review, this research distinguishes NGOs from community-based organisations because NGOs have a more complex organisational structure, rely on paid or voluntary staff, have a minimum financial base and focus on serving others through direct service, community organising and / or advocacy, rather than engaging in self-help.

4.1 History and context

The history of NGOs or civil society more widely in Indonesia can be traced back to the colonial era. Civil society continued to be important despite the repression of political expression and engagement, and laws limiting the right to associate that were enforced during the New Order era from 1965 until 1998.[18] By the mid-1980s, international donor agencies and INGOs provided some funding and support for Indonesian NGOs, motivated by the promotion of the role of civil society in transitions to democracy. The transition to democracy at the end of the 1990s led to a proliferation of and expansion in the diversity of NGOs. The start of decentralisation in the early 2000s furthered this proliferation. Decentralisation gave rise to a new generation of NGOs with a local focus on governance and public service. This process culminated in 2014's *Village Law* (No.6 of 2014), which resulted in a higher development budget for thousands of villages[19], with the support of civil society leadership. Importantly, there is scope for the involvement of NGOs in helping villages to identify needs and manage and spend the funds. [20]

For the last 10 years, Indonesia has been considered an emerging middle-income country[21] and has experienced economic growth since the economic crises in 1998.[22] From 2010–2015, Indonesia's gross domestic product (GDP) growth rate was 5-6%.[23] The middle class in Indonesia is growing along with the economy.[24] This raises significant opportunities and challenges for the NGO sector. Meanwhile globally, as in Indonesia, NGOs are facing restrictions on international donor agency funding where many donors are more likely to connect their aid budget to their strategic foreign policy and trade agendas (to defend their spending for foreign aid while they are cutting their domestic spending). Additionally, more donors are focusing on service delivery programming rather than initiatives that support civil society agendas on its own right including for more long-term social change

[16] STATT, 2012.
[17] AusAID, 2012.
[18] Material in this section is adapted, and updated, from STATT, 2012.
[19] Parlina, I., and Halim, H., 2013.
[20] Support for Village Law started back in 1999 when several networks of NGOs raised concerns over village issues, exposure of communities to environmental risks, and the rights of indigenous people (Pellini, Angelina, and Purnawati, 2014)
[21] Indonesia is officially classified as a lower middle-income country (those countries with GDP per capita above USD 1,005. Currently, Indonesia's GDP per capita is USD 3,514.60 (as of 2014), see http://data.worldbank.org/indicator/NY.GDP.PCAP.CD
[22] Afif, n.d.
[23] Asian Development Bank, 2015.
[24] Salim, F, 2012. Indonesia's Middle Class as quoted by Afif, n.d.

work.[25] The implications of these trends for funding NGOs in Indonesia are explored in Davis's piece in this series.

Currently, while the role of civil society sector has been acknowledged and their support helped elect the current President Joko Widodo (Jokowi), the relationship between civil society and government continues to be wary. Many civil society organisations and volunteers were involved and supported President Joko Widodo to be elected in 2014.[26] The election represented an important shift away from the 'New Order' establishment to a new generation of leaders who came from outside that power structure. Jokowi as mayor of the Central Java city of Surakarta (Solo) had worked closely with civil society groups there, including on issues relating to socially excluded groups. As mayor of Solo and subsequently as Governor in Jakarta, Jokowi was explicitly anti-corruption. He also closely consulted with NGO leaders during his presidential campaign and pre-inaugural transition period. However, many in the NGO sector are disillusioned with Jokowi as of mid-2015 as he has made several decisions that appear to contradict commitments made during the campaign on anti-corruption and human rights issues.[27]

Additionally, the new law governing community organisations *(UU Ormas,* No. 17 of 2013)[28], was passed to great concern from prominent civil society organisations. Those concerns were based on vague wording in several of the articles and the potential for the law to be used to diminish freedom of association. *Muhammadiyah* (Indonesia's second largest mass-based religious organisation) and the *Koalisi Kebebasan Berserikat* (KKB; Coalition for the Freedom of Association, consisting of 14 prominent national NGOs) both filed separate judicial review applications to the Constitutional Court challenging dozens of articles in the law. In December 2014, the Court accepted the objections of these organisations, deciding that more than 10 articles were unconstitutional, including:

> the regulation on registration at the district levels;

> the regulation on the objectives of establishing an NGO;

> the regulation on boards and executives; and

> the regulation on memberships.

The KKB has called on the government to terminate all government regulation (*peraturan pemerintah*) derived from the law. The longer-term impact of the law and the Constitutional Court's decision remain to be seen as of mid-2015. There are also other policy factors that affect NGOs' ability to operate and raise funding; these are explored in NGO Sector Review and in Davis's piece in this series. It is worth noting as an update since 2012 that the KKB also requested that the draft law for associations (*perkumpulan)* be prioritised for the national legislative agenda in for 2015–2019. The existing regulation for associations (*Government Gazette 1870 No 64*) does not align with the relatively complex structures of organisations in the modern era compared to when the regulation was enacted.[29]

Meanwhile, in interviews and focus group discussions conducted as part of the NSSC design, both government and the private sector echoed positive views and recognition of the roles of NGOs both for their advocacy work as well as for social and human services provision. However, public attitudes about NGOs historically have been negative due to a seeming lack of understanding of the roles that

[25] CIVICUS, 2015.
[26] Suaedy, 2014. This was also discussed on Civil Society and the strengthening democracy, Jakarta, November 25, 2014. Presenters at the 2nd session (Ery Seda, Ivan Haddar, Olga Lydya, and Nico Harjono) discussed '*Perkembangan Situasi Politik, ekonomi, dan sosial budaya paska pemilu 2014 dan tantangannya bagi masyarakat sipil ke depan*'.
[27] Mietzner and East-West Center, 2015.
[28] This law is an amendment of previous *UU Ormas*, No. 8 of 1985. Following STATT (2012) the term 'community organisations' is used for the translated name of this law, rather than 'mass organisations.' The draft law as of December 2012 referred to '*organisasi masyarakat*,' which translates best to 'community organisations' ('Rancangan Undang-Undang Republik Indonesia tentang Organisasi Masyarakat,' 2011). Moreover, the law is meant to cover any and all non-state, non-commercial organisations and thus the meaning of '*ormas*' in the text is broader than mass-based organisations.
[29] See 'Diskusi Inisiasi Advokasil RUU Perkumpulan,' 2011; and 'Staatsblad 1870 Nomor 64 tentang Perkumpulan-Perkumpulan Berbadan Hukum,' 1870.

they play, as well as a continued tendency in the NGO sector to function as 'floating democrats'.[30] Trust appears to be on the rise. One survey showed a 22% jump in public trust ratings for NGOs between 2013 and 2014, with up to 73% of the public reporting they trust NGOs.[31]

Perceptions of transparency affect whether NGOs are trusted by other actors in the Indonesian context.[32] In the qualitative research conducted for the NSSC design, some government and private sector respondents actively reported suspicion or distrust, though fewer than might be expected given the historical context. More generally, and more notably, they reported a lack of information about what NGOs are doing. There was a perception from some government and private sector respondents that NGOs do not have strong performance and financial management systems, and respondents also pointed out the lack of an accreditation or certification system to provide information on performance and record of progress and outcomes.

Indeed, by several different indicators, NGOs' accountability toward beneficiaries and the public was still uneven according to the survey of NGOs conducted for the NSSC design. Almost all local and national NGOs reported having a mechanism or way to collect information on progress and outcomes, but only a third of local NGOs and less than half of national NGOs use the information to support their advocacy work and less than two-thirds use the information to improve organisations and to develop annual program planning. NGO personnel themselves identify lack of clear measurement to evaluate progress and impacts as a weakness. National NGOs shared their financial report and outcomes more often to the public than sub-national organisations. Of the NGOs that conducted audits, national NGOs were much more likely to report doing so for intrinsic rather than donor-driven reasons than the few sub-national NGOs that did so. Sub-national NGOs were much more likely to do so because donors required it.[33]

Legal status is not a workable indicator of accountability in the Indonesian context. According to the NGO Sector Review, the registration system is rarely if ever enforced and has little effect on organisations' operations (though there are more recent reports of the *UU Ormas* law governing community organisations being used to limit organisations' ability to put pressure or conduct activities with government.) According to a 2009 survey and in the field surveys conducted as part of the 2012 NGO Sector review, even though a majority of NGOs had 'registered with the notary public, many never finalised their registration with the relevant government bodies'.[34] According to NSSC survey data, at the local level, the closer an organisation is to an urban centre, the more likely it has legal status, and it is nearly twice as likely that national NGOs have legal status compared with city / district NGOs. Field experience within the NSSC research team and calculations during the NGO Sector Review has shown that official government lists, when they can be obtained at all, tend not to be helpful for identifying NGOs operating at a city or district level.[35] While many NGOs with active programming and advocacy efforts also appear, significant portions of the organisations who fully complete the registration process in any given locality and thus appear on official lists appear to be fictitious organisations, perhaps created by politicians or to secure government contracts.[36]

[30] Törnquist et al. 2003 and Manning and Van Dierman 2000, cited in Antlov, Brinkerhoff, and Rapp, 2008; Edelman, 2014; Ibrahim, 2006.

[31] Authors of the survey findings 'assume' that this rise is due to greater transparency and better reporting (Edelman, 2014: 39); high profile partnerships with business (which traditionally enjoys a high level of trust from the Indonesian public according to the same survey); and that 'many Indonesians see NGOs as a crucial part of developing civil society,' which is not a consensus shared by most other scholars and experts on Indonesia's NGO sector. They do not provide evidence to support the linkage of these factors to the change in figures. There is also a discrepancy in the trust figures provided for 2014 in the 2014 report and the following year's update, which claims that trust was at 64% for NGOs in 2014, rather than 73% (Edelman, 2015).

[32] Transparency is critical to Indonesians' trust in institutions, according to a global study of trust (Edelman, 2014).

[33] Audits are not an ideal way to gauge transparency or accountability because they are expensive and they are unlikely to be appropriate for organisations operating on tiny budgets. However, hard data on different proxies for accountability is notoriously difficult to find.

[34] 2009 survey cited in STATT, 2012 refers to Aritonang, Yusran, Taufik, and Promedia, 2009.

[35] STATT, 2012 calculations suggested that 20% of a given localities' official list might be active, viable organisations (p. 20).

[36] This phenomenon of plat merah ('red plate') organizations, referring to the colour of license plates on government-owned vehicles, is well documented (see e.g. Ibrahim, 2006, Ibrahim, et al., 2009, McCarthy and Kirana, 2006).

4.2 Current profile

Against this backdrop, there were an estimated 2,293 active and viable NGOs throughout Indonesia as of 2012.[37] There were NGOs active in most regions of the country. The findings of the field research show many variations in the resources and capabilities of various NGOs, which can be categorised by variables such as whether the organisations are:

> district / city, provincial, or national NGOs[38];

> small, medium, or large NGOs; or

> branches of larger NGOs or coalitions of NGO networks, or independent organisations.

Location is another key characteristic. The field research looked at city / district NGOs working in cities or districts that were located both close to and relatively remote from the provincial capital. The data shows that these characteristics affect many aspects of the organisations' resources, capabilities and capacities to respond to the challenges they face.

On the issue of financial revenues, the NGO Sector Review noted:

> *While the relationship between a region's population and the number of NGOs is not statistically significant, there is a strong positive correlation between a region's GDP and number of NGOs (i.e. the higher the GDP, the higher the number of NGOs). This and a similar finding in Bangladesh in 2005 suggest that NGOs are a function of rising income.*[39]

The NGO sector overall in Indonesia had estimated revenues of AU$340 million (IDR 3,415,520,323,162) in 2013.[40] As Davis's piece in this series will explore in more detail, that revenue is highly concentrated in national organisations and somewhat at the provincial level. Additionally, revenue within each level is highly concentrated in the hands of a relatively small group of organisations. The richest quartile of national NGOs brought in IDR 15.5 billion in 2013 whereas the poorest quartile of sub-national NGOs, including provincial level ones, brought in less than IDR 1.8 million. The most important source of funding by far for national NGOs is international donor agencies or INGOs (73%). An additional 6.67% NGOs report that their most important source of funding is another national NGO, which in practice means their funding almost certainly originates from an international donor agency, albeit indirectly. Percentages are similar for provincial NGOs, whereas city / district NGOs are mainly reliant on 'self-help' (*swadaya*), with about 60% of those organisations reporting this as their main source of funding and an additional portion of the 14% that reported 'other' engaging in 'self-help' type fundraising.[41]

Differences among national, provincial, and city / district NGOs is also seen in their personnel and human resources, a topic that will be explored in more detail in Alawiyah's brief in this series. National organisations are more likely to have staff (paid and unpaid) and have more of each kind of staff. Unlike sub-national organisations, all of the national NGOs surveyed had at least had one full time staff member. City / district NGOs that are located far from the provincial capital were more likely to have unpaid part time staff compared to anywhere else and tend to be made up of a single or a few individuals.

[37] According to the NGO Sector Review, 'The calculation is based on the 11,468 NGOs registered with the GoI in 2010 and an estimate based on field work for the Review that 20% of the organisations on the government list are active and viable organisations' (STATT, 2012, p24).
[38] City/district NGOs are NGOs that focus their work in one or in some cases – where districts have recently administratively split – two cities or districts; provincial NGOs operate across two or more cities or districts within a particular province; national NGOs are NGOs that work across multiple provinces or at a national scale, many of them serving explicit support functions to the NGO sector overall.
[39] STATT, 2012 p. 25.
[40] Based on average reported revenue for the seven city / district field sites, multiplied by the number of Indonesian cities and districts, plus the average reported revenue among the national NGOs surveyed multiplied by the estimated number of such organisations.
[41] Including *zakat* religious giving sources, business units (*unit usaha,),* and membership contributions (*iuran anggota*).

The NGO Sector Review identified a tendency of Indonesian NGOs (like NGOs in other developing contexts) to be generalist, i.e. 'taking an approach of service delivery or organising communities for self-help rather than focusing on systems, macro-level change' in any specific area or sector'.[42] The 2014 data added nuance to this characterisation: There are significant differences between the work that sub-national and national NGOs focus on. A national NGO is more likely to conduct research or policy advocacy, whereas a sub-national NGO is more likely to provide social services. National NGOs are also more likely to report providing training for other NGOs than provincial and city / district level NGOs. Many national, provincial, and city / district NGOs alike focus on community empowerment, law and human rights, and to some extent education. However sub-national NGOs are much more likely to focus on agriculture, environment, economic development, and health.[43]

These differences to some extent are expected, with NGOs with a smaller, more community focus more likely to provide direct services. They are set against a context of a 'missing middle' in Indonesia's NGO sector, in which national NGOs have little active connection to the smaller organisations that work more closely with the communities the national NGOs also ultimately mean to serve.[44] This phenomenon has been a consistent feature of the Indonesian NGO landscape, and has changed little even with the more open space for association since the fall of Suharto in 1998. Lassa's and Liu's brief on networks and Davis's on funding diversity will touch on the 'missing middle' phenomenon. Indonesia's NGO sector has a relatively weak intermediary support infrastructure; that is, there is inadequate support available to small and local NGOs from organisations that provide strategic capacity development and assistance.[45] This is reflective of larger global trends as well. The strength of the intermediary support infrastructure in an NGO sector is closely linked to the evolution of the civil society of which they are a part. An NGO sector that is still maturing will have fewer intermediary support organisations. Additionally, countries with traditionally strong democratic contexts such as the Philippines, Brazil, and Peru will have stronger civil society support organisations than countries with less democratic context.[46]

Although many of the national NGOs surveyed reported providing services to sub-national NGOs, less than two thirds of local organisations interact with coalitions and national level NGOs. Access to a provincial capital is relevant here; NGOs located far from the provincial capital were the least likely to have had some interaction with national NGOs than those located closer to the capitals (less than half of NGOs located more remotely from capital cities had had such interactions, compared with nearly two thirds of NGOs located near the capital cities). About 60% of city / district NGOs have had interactions with coalition / networks or national NGOs but only at an average of around one interaction per year (in contrast to national NGOs, 90% of which are involved in networks or coalitions and have interaction with them two to three times per year on average.) Moreover, the majority of national NGOs identified their partners through established networks and personal relations or word of mouth. The importance of membership-based organisations with local branches in the Indonesian context does not do much to mitigate this relative isolation; the further a district is from a more urban centre, the less likely they were to be a branch of a bigger organisation (with the relevant access that such an arrangement creates). In any case, being a local branch of a larger mass based organisations may provide some level of support but certainly does not guarantee regular or consistent interaction and communication with a broader network.

Interactions among NGOs and other types of stakeholders also tend to be relatively infrequent and informal. In practice, interactions among NGOs and government institutions are mostly through short-term, informal arrangements. NGOs at the city / district level tend to interact only occasionally with

[42] STATT, 2012, p 25.
[43] While data from the NSSC survey of sub-national NGOs did not reflect a strong focus on health, this is largely a function of the regions where the survey was implemented. Refer to STATT (2012) results from previous fieldwork on East Nusa Tenggara (NTT) and others where health is likely to have been a greater focus.
[44] See Clark, nd; McCarthy and Kirana, 2006:13, cited in STATT, 2012. This phenomenon is often found elsewhere as cited in PRIA, 2012.
[45] These intermediary support organisations have also been called 'Civil Society Resource Organisations' : 'Locally owned, governed and operated; private and nongovernmental; independent and nonprofit, have a mission that contributes to the participation of civil society in addressing development problems; and mobilise resources from within or outside their countries and pass them on to other civil society groups via grants or other financing mechanisms (Winder, 1998; The Synergos Institute, 2002). For more information on Intermediary Support Organisations see Ashman, Carter, Goodin, and Timberman (2011).
[46] Ashman, Carter, Goodin, and Timberman, 2011.

government counterparts. (Frequency of interaction with legislative members appears to be slightly higher.) The interaction with private sector is much lower than with the government. Moreover, the interactions that do occur are driven more by personal relations than institutional ones; personal networks and closeness with influential actors help develop a longer-term and stronger relationship for some NGOs. Other organisations without the right personal and patronage connections are left without the access necessary for cooperation to occur. The issue of the role of the private sector in supporting NGOs has been raised internationally as well.[47] Opening networks and connections especially to private sector corporate social responsibility organisations and wealthy philanthropists have been a challenge for most NGOs due to differences in perception of values of the institutions and possibility for the NGOs of endangering their organizational credibility by accepting money from potentially corrupt and illegal business practices.[48] However, at the same time, globally as in Indonesia, engaging with the private sector is increasingly necessary in order tackle societal challenges.[49]

5 Findings and conclusions

The findings of the research conducted for the NSSC design process presented in this series highlighted the interconnectedness of the issues surrounding the question of NGO funding, networks, management and leadership and overall sustainability for the NGO sector in Indonesia. More complete summaries of the findings from the field research are set out in Annex 2.

The main theme of the research and consultations with stakeholders conducted during the design process highlighted the importance of creating a strong, sustainable NGO sector that:

> has equitable and constructive engagement with government and private sector;

> is well-governed, independent, accountable; and

> has adequate, diversified funding.

As discussed in the other three briefs in this research series, NGOs in Indonesia face significant challenges that threaten the sustainability of the sector. These challenges arise as a result of the way the NGO sector in Indonesia (as in other countries) is overly dependent on international donor agencies for funding support and lacks capacity in human resources, leadership and networking capabilities. The briefs that follow in this series highlight the interconnectedness of the issues that arose from the research findings, namely:

> funding diversification;

> human resource management and leadership; and

> networks and relationships between NGOs, and between NGOs and other stakeholders such as government and the private sector.

These issues are relevant for ensuring the sustainability of individual organisations as well as the NGO sector as a whole. Financial stability will ensure that NGOs can maintain their independence, improve the way their organisation operates, nurture a new generation of NGO leaders, and better engage with government, the private sector, and other NGOs. Improved human resources capacities and strong leadership means that NGOs can be more accountable and effective in their work, which will in turn improve their standing when seeking more diverse funding opportunities and networking with both other NGOs and other stakeholders. Strong networks and coalitions can provide capacity development support for organisations to improve their technical capabilities, introduce them to resources and sources of diverse funding. The cycle is self-sustaining, and that leads to sustainability.

[47] CIVICUS, 2015; World Economic Forum, 2013.
[48] CIVICUS, 2015.
[49] CIVICUS, 2015, p. 11.

The recommendations set out in the other three research briefs in this series provide targeted and actionable strategies for Indonesian NGOs, national and local governments, and other stakeholders who have interests in supporting a strong NGO sector in Indonesia to continue its important work in development, supporting democracy, and addressing significant social justice issues.

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Annex 1: Methodology

A team charged with designing a NGO sector support facility on behalf of DFAT Australian Aid embarked on an intensive set of research activities in the latter half of 2014 and early 2015. The research ensured that the design progress was supported and validated by evidence on the needs and goals of the NGO sector in Indonesia. The main findings of this research program have also been used extensively to produce the research briefs in this series. The mixed methods research included original field work consisting of a survey of NGOs and qualitative research targeting people from a mix of backgrounds, networks analysis based on the field work data, a review of DFAT programs in Indonesia, and desk research. The research built on another DFAT-supported research project conducted in 2012, the NGO Sector Review.[50]

The primary objective of the NGO Sector Review was to study NGOs, the NGO sector and relationships to other sectors in order to identify areas where DFAT could make strategic program investments that would contribute to fulfilling Australia's poverty reduction goals in Indonesia. It consisted of structured desk review, media scanning, limited field research in two Indonesian districts, consultations with a wide range of stakeholders in and knowledgeable about the NGO sector and analysis and mapping of quantitative data. It also included an initial analysis of Australian aid financial data. The findings of that review helped DFAT identify questions for further study and a methodology that directly informed the research conducted in 2014–2015 for the NSSC design described in the rest of this methodological annex. The research questions and themes that emerged in 2012 are available in the final paper.[51] The methodology was submitted separately, built on in the inception report for the NSSC design project and eventually captured in the actual activities undertaken and described below.

Research Questions and Themes

Given that DFAT's aim with the NSSC research was to produce the design of a facility, a set of design questions firstly determined the themes and questions explored in each of the research activities. Following development of a concept and initial logic model for the facility in June 2014, the team developed design and research questions that reflected gaps in knowledge identified during the NGO Sector Review as well as priorities that have since emerged. The questions covered:

> facility focus: locations, sector, organisation type;

> activities and good practices to adopt;

> partnership and governance arrangements including an appropriate institutional home within the Government of Indonesia;

> timeframe and sustainability / exit strategies for the NSSC;

> existence of necessary supportive factors for key activities to succeed;

> appropriate monitoring and evaluation approach;

> most appropriate approach to gender mainstreaming and inclusion; and

> links to existing DFAT and other donor or Government of Indonesia programs.

The research activities mainly focused on the first two of the above list, namely facility focus, priority activities and good practices for the facility to adopt by exploring broadly the following questions:

> In what areas and how can individual NGOs become stronger?

> In what areas and how can relationships within the sector, including the role of support organisations, become stronger?

[50] See STATT, 2012.
[51] Ibid.

> In what areas and how can the environment in which NGOs operate change to be more supportive for NGOs' operations and programming?

> How can Australian aid most strategically support the NGO sector's efforts to achieve a healthy sector over the long term?

Each research activity had its own specific set of questions and methodologies which are explored in the remainder of this Annex.

Field Research

Field research consisted of structured, in-depth surveys of 105 sub-national NGOs in seven cities / districts within four provinces, and 42 national / support NGOs. Semi-structured interviews and focus group discussions (focus group discussions) were held in the same seven cities / districts with 214 distinct individuals from district / city government, the private sector and NGOs. A total of 361 individuals were surveyed, interviewed, or participated in focus group discussions for the mixed methods research.

Key Questions

Building on the NGO Sector Review and the research team's knowledge of more recent developments in the NGO sector, the field research covered themes such as:

> the roles and functions of NGOs;

> networks and relationships among NGOs;

> NGOs' relationships with government and private sector;

> enabling environment of NGOs to achieve policies, services, gender equity and inclusiveness;

> NGOs' funding levels and sources;

> NGO accountability and governance structures and processes;

> human resources, effective leadership and organisational management.

Site Selection

The primary unit of analysis for the field research was the city or district. This framework helped garner knowledge on how effective the NGOs are in achieving their goals in local context and to examine their funding and other relationships locally with private sector / government as well as with national-level organisations and donors. The field site cities / districts were selected based on the criteria below, which was developed to balance diversity of context with the need to neutralise compounding factors in the analysis to the extent possible:

> One province each in Java, Eastern Indonesia, and Western Indonesia, excluding areas that were visited during the NGO Sector Review (that is, West Kalimantan, and the West Timor region of NTT).

> In each province, two districts or cities were selected, one located near to the provincial capital and one that was more remote from the capital. This geographic spread helped to capture different NGO operating environments and access to infrastructure.

> Within these six sites, a mix of areas were selected in which NGOs are responding to 'hot button' service and advocacy issues (such as logging, land rights) relevant to the local context, and where they focus on more common issues (such as health), as well as a mix of areas that are homogenous or diverse (both ethnically and with respect to religion).

> The seventh site was in a different province a 'post shock' area; for example, Aceh, Padang, Mentawai, and Ambon.

> Across all seven sites the researchers aimed for a balance between DFAT funding target sites and non-DFAT target sites.

Utilising these criteria also helped capture diversity in terms of percentage of population living below the poverty line and regional GDP, and adjustments to the sites were made as necessary to capture this diversity.

Based on the above criteria, the following cities / districts within four provinces were selected:

> Central Sulawesi: Districts of Sigi and ToliToli.

> East Java: Districts of Kediri and Situbondo.

> Jambi: Districts of Muoro Jambi and Merangin.

> West Sumatera: District of Padang Pariaman.

In practice, NGOs in several of the sites operated across district lines (for example, NGOs in Padang Pariaman tended to be based in the City of Pariaman as the two administrative units had split in the past five years). Realities on the ground such as this were taken into account in identifying respondents in any given site.

Respondents and Data Collection – NGO Surveys

For city / district level NGOs a list of 15 target NGOs was developed for each field site during a pre-survey scoping trip by members of the NSSC research and design team. The lists were developed using 'snowball' sampling methods in which an anchor field partner and other local resource people, identified remotely through the team's networks and lists from 2012's NGO Sector Review data, referred members of the team to potentially active NGOs in the city or district along with basic information on those organisations' profile and contact information. When possible, individuals associated with the new additions to the list provided additional referrals. The NGO lists developed as a result were, when possible, crosschecked against local government lists of registered NGOs. In all cases the lists were triangulated to the extent feasible with individuals who were not directly influenced by the anchor field partner.

Based on the information gathered, the team members conducting the scoping trip provided a list of target NGOs to the survey team, ranked by importance in the local context according to impressions formed during the scoping trip. In some sites, the 15 organisations represented a sample of the local NGOs in which case efforts were made to ensure the survey respondents were representative of the local sector as a whole. Other sites had fewer NGOs and thus the list of 15 represented the near-universe of locally active NGOs.

National NGOs were selected from a list developed during 2012, updated based on the research team's knowledge, prioritised based on still-active organisations and whether or not they explicitly played an active support function for other NGOs or played a singular role at the national stage. Individual respondents representing each NGO were selected on the basis of their position in the leadership or management structure of the organisation and knowledge of organisational management and program issues.

A pre-test questionnaire was conducted 2–5 July 2014 for local NGOs, and 28–29 August 2014 for national NGOs. Based on the pre-test results, some revisions and changes were made to the content of the final survey questionnaire. A total of 16 surveyors with an undergraduate qualification and experience in conducting surveys were recruited and training for surveyors was conducted in Blitar 10–14 July 2014. Data collection was conducted 15 August – 18 September 2014. Ultimately 105 local NGOs in the seven cities / districts were surveyed using face-to-face interviews (with a 100% response rate). A total of 42 national NGOs were surveyed (with a 77% response rate of the 54 NGOs identified to be interviewed). Of the national NGOs, 30 located in Jakarta and Yogyakarta were surveyed using face-to-face interviews and 12 NGOs from Aceh, Jambi, West Kalimantan, West Nusa Tenggara, and Papua were interviewed by phone. Using computer-assisted data collection methods,

data entry including verification of the data and editing was done at the interview sites with supervision from the field coordinator to ensure high quality and valid survey data was recorded.

Data Collection – Interviews and Focus Group Discussions

Qualitative data collection was comprised of interviews and focus group discussions with participants from local NGOs, government agencies, and private sector from 1–27 September 2014. Six qualitative field researchers with at least a Bachelors' level qualification and some field research experience were contracted specifically to gather the qualitative data with supervision from core members of the research team.

A set of inclusion criteria was developed to choose informants from local NGOs who would be invited to participate. The criteria focused on diversity in terms of size[52] and issues the NGOs worked on. The participants involved representatives from small, medium, and large organisations, and from NGOs across different issues including environment, empowerment, human rights, health, and minority groups such as indigenous communities. Like with the survey, individuals from each of NGO were selected on the basis of their position in the leadership or management structure of the organisation and knowledge of organisational management and program issues. Several government officials and managers of community development programs or corporate social responsibility units within private companies were identified based on whether they have had previous interactions with NGOs or potentially had worked with NGOs. Initial lists of individuals from government and private sector had been identified during the scoping trip; but interviewers also used a snowball sampling methods as previously described during the field research to identify more participants from these groups.

Data analysis

For the surveys, researchers from SurveyMETER analysed the data using STATA statistical software. The aim of the analysis was both to provide basic information on the profiles of NGOs and to analyse differences among

> national, provincial, and district / city NGOs;

> NGOs with different budget sizes: and

> branches of larger NGOs or coalitions of NGO networks compared to organisations that were not part of such groups.

For the qualitative data, a data analysis workshop was held in October 2014. A key task at this workshop was to compare and contrast the findings from different provinces and from cities or districts based on their other characteristics such as being near to or far from the provincial capital. The data analyses included identifying general trends and emerging themes; building connections across the themes; synthesising the findings and implications; and providing / understanding the context from the findings. Finally, to draw together the findings from the surveys and the qualitative work, a series of internal workshops were held in October and Novembers 2014. Annex 2 contains the output from those workshops, a summary of the key findings of the field data with some contextual information from the review of DFAT program data described next.

Review of DFAT Program Data

This activity consisted of structured analysis of the outcomes, financial expenditure and lessons on modalities of 155 DFAT-funded programs that engaged with Indonesian NGOs from 2007–2014.[53] For

[52] The categorisation of organisations as 'small', 'medium', or 'large' took into consideration factors such as the number of staff and other organisational criteria including number of programs, size of budget, whether they have an office, etc.

[53] The team also carried out a structured desk review of public reports of seven other donors' programs in Indonesia that had significant NGO engagement or a NGO sector approach, focused on programs being implemented between 1999 and 2015 and public reports of 25 related programs in other countries with similar economic or political contexts, focused on programs implemented between 2007 and 2015.

all projects, standardised information was collected—to the extent available and possible—on the issues and program areas that were supported, geographic areas of support and information on NGOs that receive support and the type of support provided. This activity also included limited online survey work, individual interviews and a FGD targeting NGOs that have partnered with DFAT. The activity aimed to provide important information on how Australian Aid could most strategically support the Indonesian NGO sector's efforts to achieve a healthy sector over the long term. By documenting DFAT engagement with NGOs in Indonesia, it aimed to provide information to answer four key questions:

1. How much funding does DFAT provide to Indonesian NGOs?
2. What are the primary delivery channels for funding to Indonesian NGOs?
3. How does working with Indonesian NGOs contribute to achieving DFAT development goals?
4. How does DFAT aim to strengthen Indonesian NGOs and has this been successful?

The findings from this activity were used directly to inform the development of the NSSC design, the development of the research series to which this Annex is attached, and a paper providing a review of DFAT programs with recommendations on how to work effectively with NGOs. All were submitted to DFAT in August 2015.

Networks Analysis

Specialists in the field of Social Networks Analysis (SNA), Lassa and Liu, the authors of the networks piece in this research series, analysed the data from the field research and the review of DFAT data using a SNA approach.

The SNA research aimed to further understanding of:

> the nature of NGO networks in Indonesia and to draw conclusion about how network characteristics relate to sustainability and the enabling environment for NGOs;

> what various actors can do to encourage development of these characteristics in the Indonesian NGO environment;

> relationships (connections) between and among Indonesian NGOs;

> relationships (connections) between NGOs, government actors, and private sector actors; and

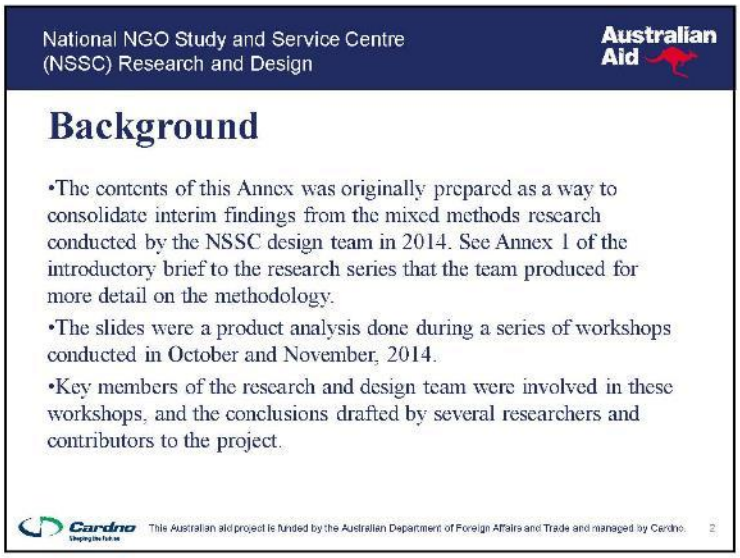
> relationships between NGOs and donor agencies, in particular DFAT.

The questions on relationships and connections referred to the SNA concepts of centrality, density, structure, and stability of connections; their utility and impact; and the influence on flow of information / services / materials exchanges. Further details on the methodological approach for the SNA appear in Lassa and Liu's brief.

Literature Review

The team also carried out a structured desk review of literature and reports on of relevant topics including the role of INGOs, the concept of sustainability, and the strengths and challenges of intermediary and resource organisations in Indonesia. The aim of the review of international comparative literature was to investigate international trends and up-to-date thinking on civil society and NGOs. A desk researcher produced internal briefs on each topic that were used to inform the development of the NSSC design and preparation of the pieces in the NSSC Research Series.

Annex 2: Summary of Research Findings



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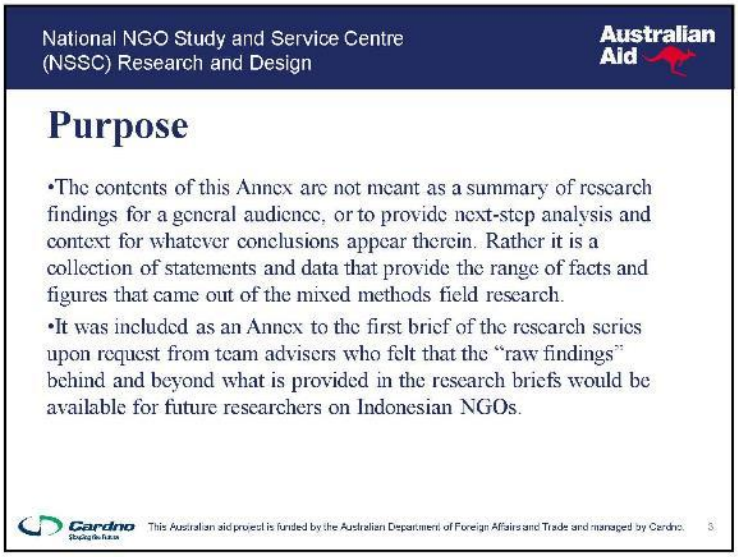
National NGO Study and Service Centre
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Purpose
•The contents of this Annex are not meant as a summary of research findings for a general audience, or to provide next-step analysis and context for whatever conclusions appear therein. Rather it is a collection of statements and data that provide the range of facts and figures that came out of the mixed methods field research.
•It was included as an Annex to the first brief of the research series upon request from team advisers who felt that the "raw findings" behind and beyond what is provided in the research briefs would be available for future researchers on Indonesian NGOs.
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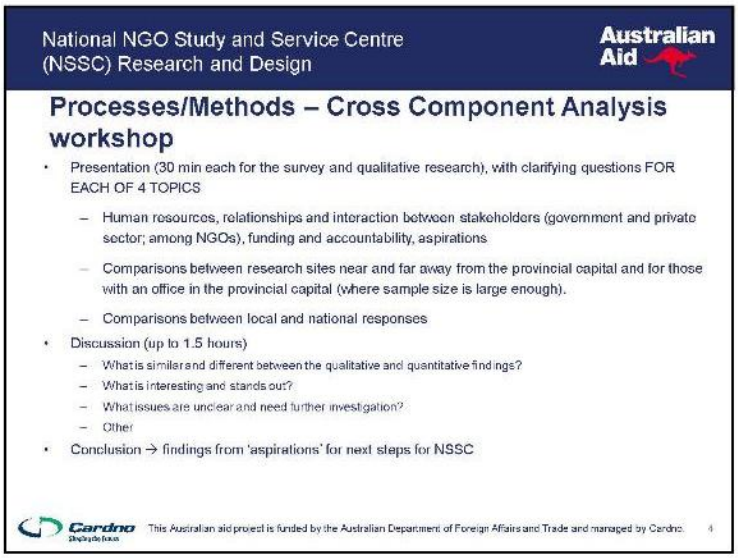
National NGO Study and Service Centre
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Processes/Methods – Cross Component Analysis workshop
Presentation (30 min each for the survey and qualitative research), with clarifying questions FOR EACH OF 4 TOPICS
Human resources, relationships and interaction between stakeholders (government and private sector; among NGOs), funding and accountability, aspirations
Comparisons between research sites near and far away from the provincial capital and for those with an office in the provincial capital (where sample size is large enough).
Comparisons between local and national responses
Discussion (up to 1.5 hours)
What is similar and different between the qualitative and quantitative findings?
What is interesting and stands out?
What issues are unclear and need further investigation?
Other
Conclusion → findings from 'aspirations' for next steps for NSSC
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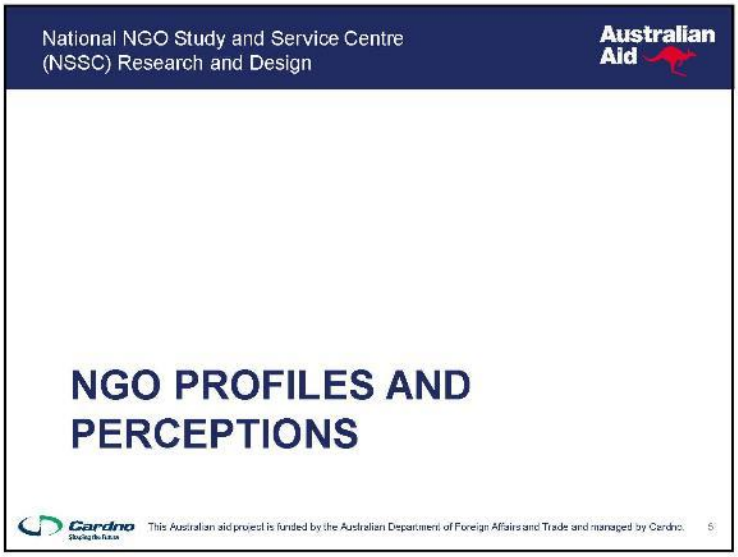
National NGO Study and Service Centre
(NSSC) Research and Design
Australian Aid
NGO PROFILES AND PERCEPTIONS
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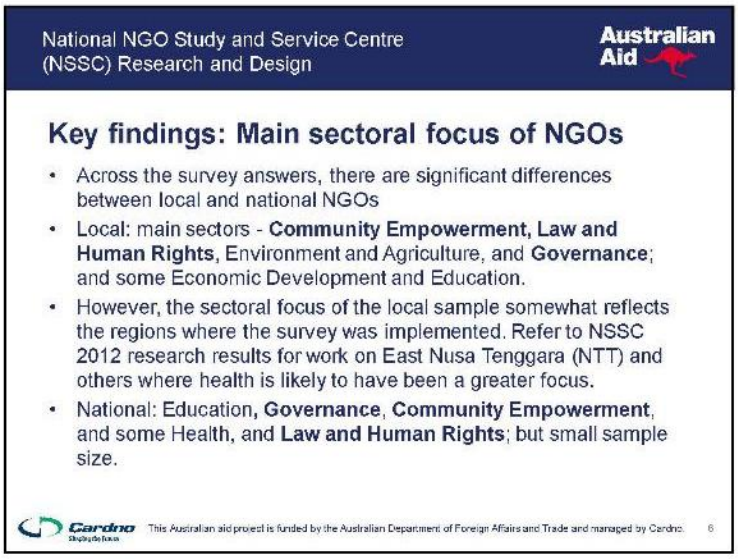
National NGO Study and Service Centre
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Key findings: Main sectoral focus of NGOs
• Across the survey answers, there are significant differences between local and national NGOs
• Local: main sectors - Community Empowerment, Law and Human Rights, Environment and Agriculture, and Governance; and some Economic Development and Education.
• However, the sectoral focus of the local sample somewhat reflects the regions where the survey was implemented. Refer to NSSC 2012 research results for work on East Nusa Tenggara (NTT) and others where health is likely to have been a greater focus.
• National: Education, Governance, Community Empowerment, and some Health, and Law and Human Rights; but small sample size.
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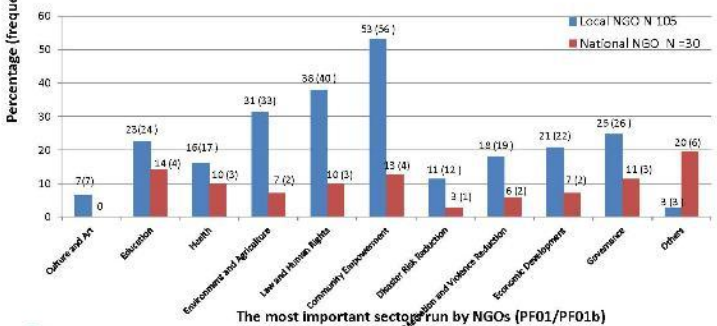
Main sectors for Local and National NGOs (analysed per sector, % of NGOs)



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Taking the top three sectors….

- Taking these 3 sectors, the spread across local regions (provincial, near to provincial capital and far from the provincial capital) is relatively even in terms of overall proportions of NGO focus on particular sectors, but:
  - For NGOs with an office near or in the provincial capital, they were sig. more likely to focus on Law and Human Rights, and Environmental issues compared to those located in far away districts
  - For NGOs in far away districts compared to those near (not in) the provincial capital, they were sig. more likely to focus on Community Empowerment, with those in the provincial capital also being sig. more likely than both other types of districts to have this as a focus.

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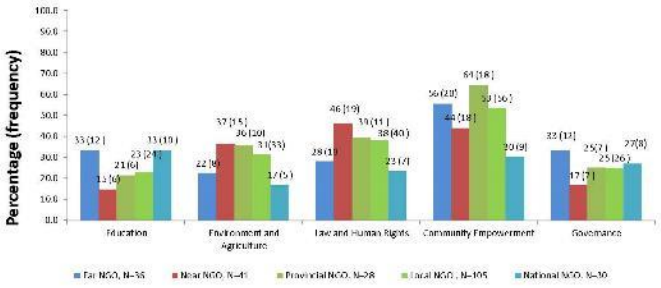
Largest NGO Sectors by Region (Analysed per sector, %NGOs)



The most important sectors run by NGOs (PF01/PF01b)

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Key findings: Focus of national and local NGO activities

Note: small sample size for national NGOs, % should not be used but are present in the following chart

- Policy advocacy - both local (half) and national but sig. more for national (60%)
- Governance - both local and national, similar results of half or just over
- Case Advocacy - local, nearly half; sig. less for national (17%);
- Social Services - only local, just over a quarter
- Research - mainly national, nearly half
- Training for other NGOs - only national, just over 1/3

Note: for all slides from here through the end, "Sig." means SIGNIFICANT (statistically); Also note because national NGO sample is small; frequencies should be used than percentage here and in the chart below.

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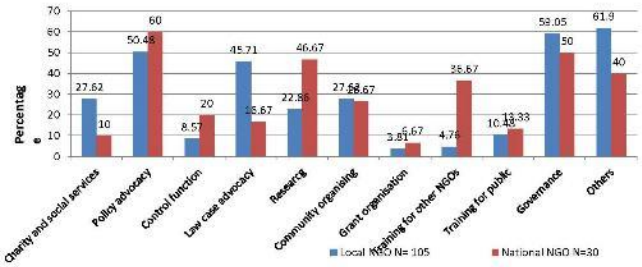
Main Activities/Focus for Local and National NGOs (%NGOs)



QS PF03 there may be more than one response, with a maximum of two for each sub-sector for six sub-sectors (up to 12 answers per organisation)

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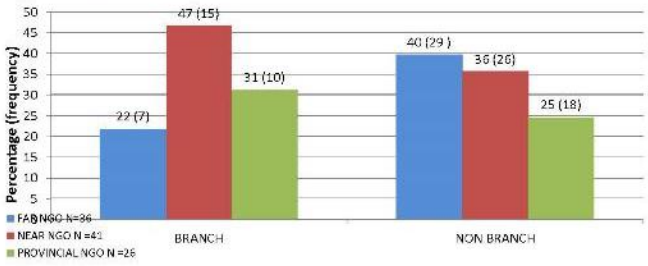
Local NGOs based on the categories of branches vs. non-branches, % (Total N Local NGOs:105)



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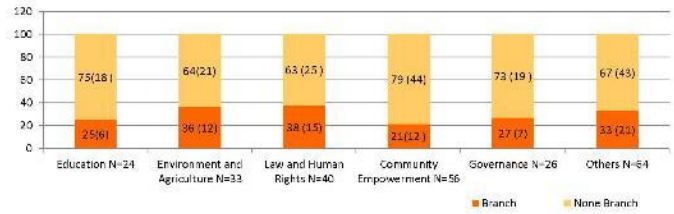
Local NGO Sectors Based on Branches vs. Non-branches, % per sector (Total N Local NGOs 105)



QS: PF01b There may be more than one response for sectors and a maximum of 3
VM01 Yes/No response

See the next slide for the key points of this chart

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Local NGO Sectors Based on Branches vs. Non-branches: Key Points

- Remembering the three largest sectoral focuses for local NGOs in the sample: Community Empowerment, Law and Human Rights, and Environment, for the latter 2 of these sectors, NGOs are sig. focused on these sectors are more likely to have 'branch' status of a larger organisations than for other sectors, perhaps explaining (together with local conditions) why more organisations are likely to have these sectoral focuses compared with others. Community Empowerment initiatives seem to have no relationship with branch status

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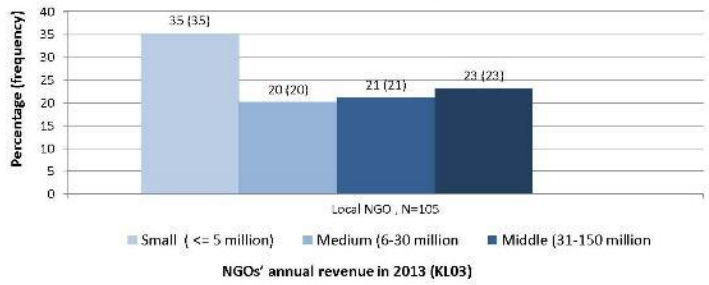
Local NGOs based on size of funding, % (frequency)



See the next slide for key points of this chart

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Local NGOs based on size of funding

- At the local level, there is a high proportion of small organisations with a budget in 2013 <Rp.5 million in the sample compared to other categories, with some having a budget of <1.5 million;
- Thus, there is a very wide variation in budgets, with a quarter of the sample having > Rp150 million compared with 1/3 of organisations having < Rp.5 million.

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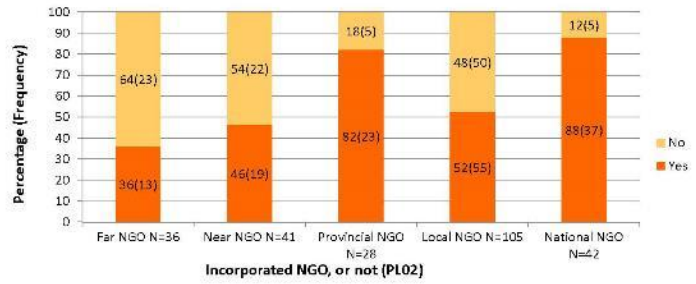
% of Legal Status of NGOs



See the next slide for key points

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Legal Status of NGO

- At the local level, the closer an organisation is to an urban centre, the more likely it has legal status, and it is nearly twice as likely that national NGOs have legal status compared with local NGOs;
- Most local NGOs reported they had vision and mission statements, and this was further evidenced by taking copies and photos of these documents during the survey.

For follow up – further work on identifying if visions and missions are operationalised

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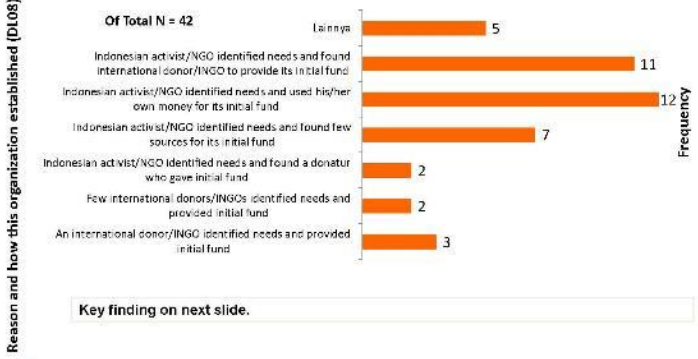
How national NGOs are established



Key finding on next slide.

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Key finding for how national NGOs are established:

- More organisations at the national level were likely to be formed based on the activists/ NGO people identifying a need (as opposed to other stakeholders identifying needs), with main sources of funding being sourced from their own pockets, donors or multiple sources.

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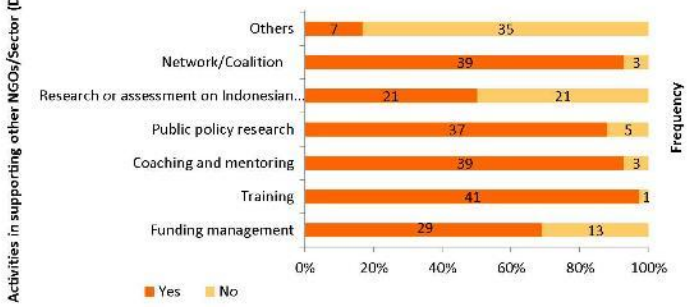
National NGO activities in supporting other NGOs/Sectors



Frequency "yes" or "no" to each activity, out of 42 total respondents for each.
Key finding on next slide.

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Key points on main focus of national in supporting other NGOs:

- Over 90% - forming coalitions, guidance & support, training; just under 90% - orientation in public policies

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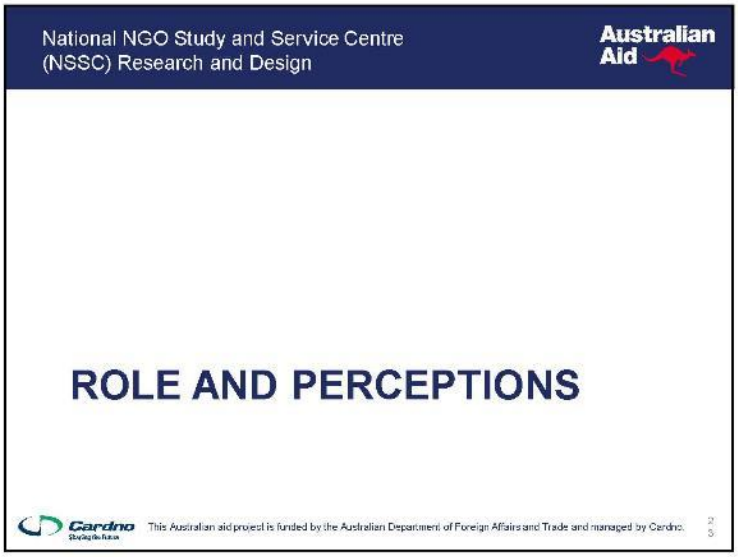
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ROLE AND PERCEPTIONS
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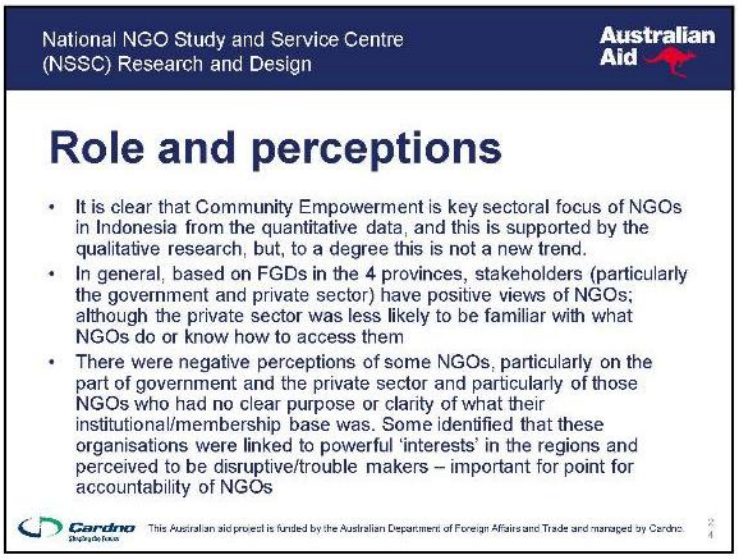
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Role and perceptions
• It is clear that Community Empowerment is key sectoral focus of NGOs in Indonesia from the quantitative data, and this is supported by the qualitative research, but, to a degree this is not a new trend.
• In general, based on FGDs in the 4 provinces, stakeholders (particularly the government and private sector) have positive views of NGOs; although the private sector was less likely to be familiar with what NGOs do or know how to access them
• There were negative perceptions of some NGOs, particularly on the part of government and the private sector and particularly of those NGOs who had no clear purpose or clarity of what their institutional/membership base was. Some identified that these organisations were linked to powerful 'interests' in the regions and perceived to be disruptive/trouble makers – important for point for accountability of NGOs
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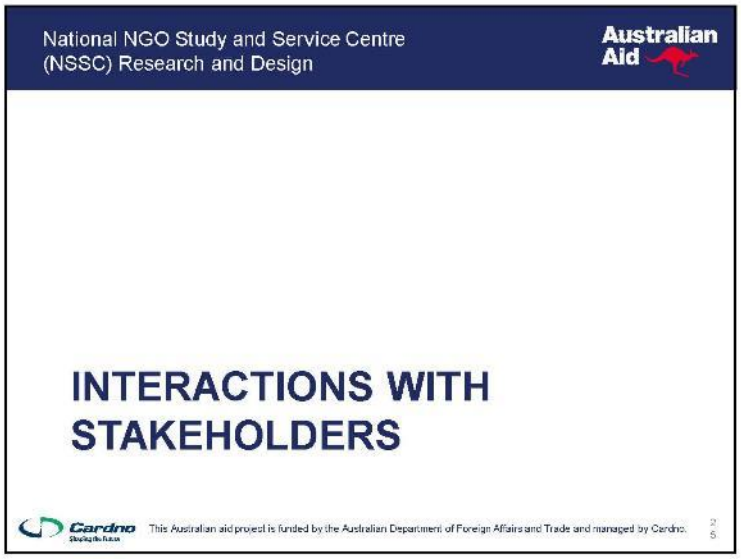
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INTERACTIONS WITH STAKEHOLDERS
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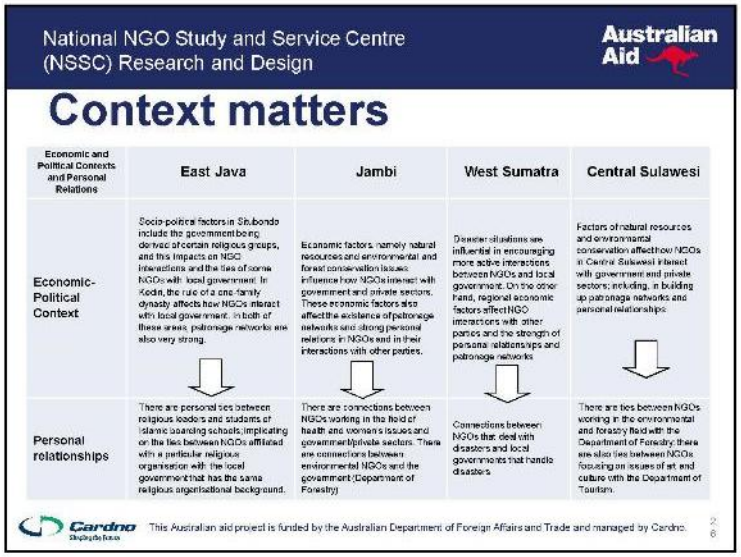
National NGO Study and Service Centre
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Context matters
Economic and Political Contexts and Personal Relations
East Java
Jambi
West Sumatra
Central Sulawesi
Economic-Political Context
Socio-political factors in Situbondo include the government being derived of certain religious groups, and this impacts on NGO interactions and the ties of some NGOs with local government. In Kediri, the rule of a one-family dynasty affects how NGOs interact with local government. In both of these areas, patronage networks are also very strong.
Economic factors, namely natural resources and environmental and forest conservation issues influence how NGOs interact with government and private sectors. These economic factors also affect the existence of patronage networks and strong personal relations in NGOs and in their interactions with other parties.
Disaster situations are influential in encouraging more active interactions between NGOs and local government. On the other hand, regional economic factors affect NGO interactions with other parties and the strength of personal relationships and patronage networks
Factors of natural resources and environmental conservation affect how NGOs in Central Sulawesi interact with government and private sectors; including, in building up patronage networks and personal relationships
Personal relationships
There are personal ties between religious leaders and students of Islamic boarding schools, implicating on the ties between NGOs affiliated with a particular religious organisation with the local government that has the same religious organisational background.
There are connections between NGOs working in the field of health and women's issues and government/private sectors. There are connections between environmental NGOs and the government (Department of Forestry)
Connections between NGOs that deal with disasters and local governments that handle disasters
There are ties between NGOs working in the environmental and forestry field with the Department of Forestry; there are also ties between NGOs focusing on issues of art and culture with the Department of Tourism.
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National NGO Study and Service Centre (NSSC) Research and Design

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Key findings: Interaction of local and national NGOs with other stakeholders.

Note: Each NGO was asked about if they have any interaction with each stakeholder, one by one. The chart on the following slide shows the Yes/No answers for each stakeholder.

Findings:

- Most local and national organisations have some interaction with community leaders (individuals), and government with no sig. diff.
- Many local and national orgs also interact with legislative members (sig. more so for national) – this was a stand out finding for the team
- But interaction at the local level was limited with other types of stakeholders
- Only 1/3 of local organisations have some interaction with donors and the private sector (sig. more so for national at >90% and 70% respectively.
- And less than 2/3 of local organisations interact with coalitions and national level NGOs.

Note: There seems to be a gap between what national organisations explain they do in terms of support for other NGOs and the likelihood that there will be at least some interaction between local and national NGOs.

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National NGO Study and Service Centre (NSSC) Research and Design

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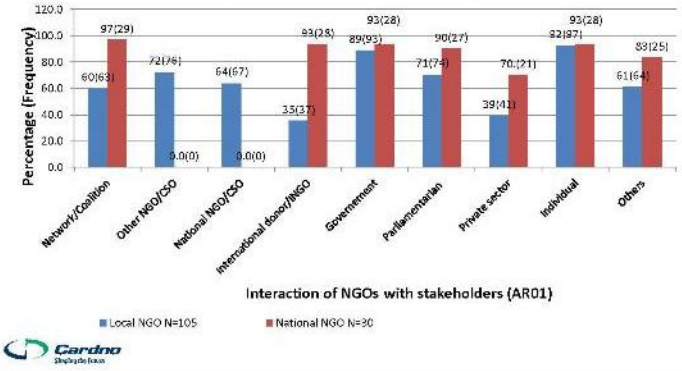
The interaction of local and national NGOs with stakeholders (% 'yes' responses)



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National NGO Study and Service Centre (NSSC) Research and Design

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Key findings: local variations on the likelihood of interaction with stakeholders

- In general, the pattern across all stakeholders is that the closer an organisational base is located to an urban capital, the more likely there is to be at least some interaction between NGOs and other stakeholder.
- Across the board, NGOs with a provincial office are more likely than those located in districts to have some interaction with stakeholders (although there was no variation for interaction with community leaders, the private sector, and the legislature)
- There are few sig. differences between near and far districts and their likelihood of interaction. Exceptions: NGOs located far from the provincial capital were the least likely to have had some interaction with
  - donors (1/5 far) compared with nearly 1/3 of near NGOs
  - National NGOs (less than half for 'far' NGOs compared with nearly 2/3 of 'near' NGOs

In summary, at the local level, the likelihood of interaction with what seems to be the least accessible stakeholders (private sector, donors, and to a degree national NGOs) this was most pronounced for NGOs far from the provincial capital.

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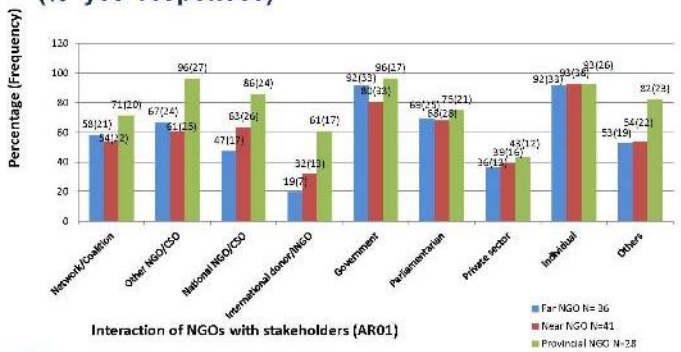
Local NGO interactions with stakeholders by region (% 'yes' responses)



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National NGO Study and Service Centre
(NSSC) Research and Design

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Key Findings - Interactions

- Findings: it is clear in the following slide that even when NGOs interact with key stakeholders it is likely to be only 1-4 times over 3 years, or around once a year.
- Interaction is more frequent with community leaders and members of the legislature (the two stakeholders that were also the ones that NGOs were more likely to have at least some interaction with), with significant proportions of NGOs meeting these stakeholders more than 10 times.
- While there was reasonable frequency of interaction with other local NGOs, this was still only 1-4 times over 3 years for half the sample (not forgetting the local sample is made up a greater proportion of small organisations – 1/3 – which may be linked)

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National NGO Study and Service Centre
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Key Findings - Interactions

- For those stakeholders who NGOs were least likely to interact with (donors, the private sector), for more than ¾ of the small number of NGOs that had at least some interaction, it only amounted to between 1-4 times over 3 years
- This was similar to the findings for interaction between local NGOs and national/regional NGOs and coalitions, but the proportions were slightly higher for those that had more frequent interactions with these stakeholders (e.g. 1/5 of those who had some interaction with coaltions or national/regional NGOs did so 5-10 times over 3 years and around 10% met them more than 10 times)

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National NGO Study and Service Centre (NSSC) Research and Design

Australian Aid

The frequency of interaction also matters

- Frequency of interaction is likely to be important for building relationships and access/quality of relationships with stakeholders

Findings: More frequent interactions with stakeholders

- It is clear in the following slide that even when NGOs interact with key stakeholders it is likely to be only 1-4 times over 3 years, or around once a year.
- Interaction is more frequent with community leaders and members of the legislature (the two stakeholders that were also the ones that NGOs were more likely to have at least some interaction with), with significant proportions of NGOs meeting these stakeholders more than 10 times.
- While there was reasonable frequency of interaction with other local NGOs, this was still only 1-4 times over 3 years for half the sample (not forgetting the local sample is made up a greater proportion of small organisations – 1/3 – which may be linked)

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National NGO Study and Service Centre (NSSC) Research and Design

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Less frequent interactions with stakeholders

- For those stakeholders who NGOs were least likely to interact with (donors, the private sector), for more than ¾ of the small number of NGOs that had at least some interaction, it only amounted to between 1-4 times over 3 years
- This was similar to the findings for interaction between local NGOs and national/regional NGOs and coalitions, but the proportions were slightly higher for those that had more frequent interactions with these stakeholders (e.g. 1/5 of those who had some interaction with coalitions or national/regional NGOs did so 5-10 times over 3 years and around 10% met them more than 10 times)

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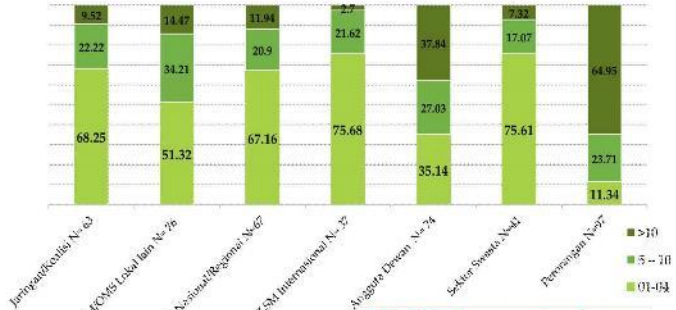
Number of times Local NGOs have interacted with key stakeholders in the last three years (from those that have had at least some interaction)



QS AR03, hanya satu jawaban yang boleh dari katagori jumlah

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National NGO Study and Service Centre (NSSC) Research and Design

Australian Aid

Findings: national NGO interaction with stakeholders

- Bearing in mind the sample is small, and frequencies rather than % should be used, while national NGOs were more likely to have at least some engagement with most stakeholders compared to local organisations, interaction was least frequent with international donors and the private sector.
- Conversely, interaction was most frequent with coalitions (sig. diff to the local level), and similar to the local level also with the legislature and community leaders.

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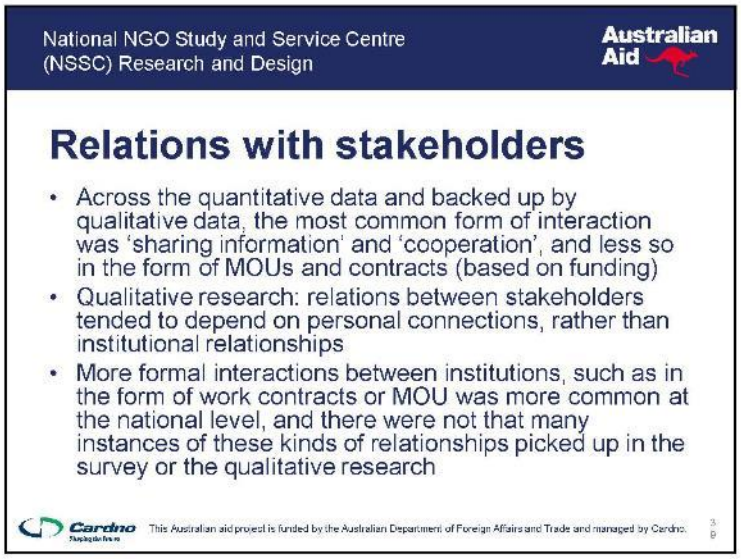
National NGO Study and Service Centre
(NSSC) Research and Design
Australian Aid
Relations with stakeholders
• Across the quantitative data and backed up by qualitative data, the most common form of interaction was 'sharing information' and 'cooperation', and less so in the form of MOUs and contracts (based on funding)
• Qualitative research: relations between stakeholders tended to depend on personal connections, rather than institutional relationships
• More formal interactions between institutions, such as in the form of work contracts or MOU was more common at the national level, and there were not that many instances of these kinds of relationships picked up in the survey or the qualitative research
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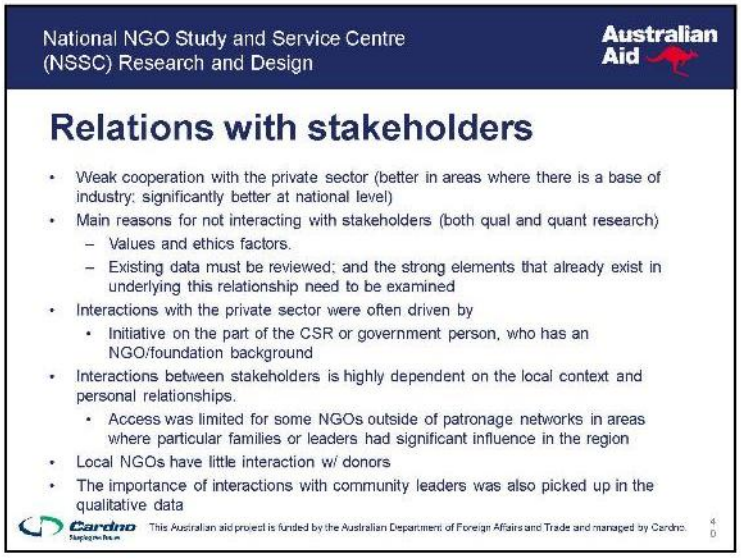
National NGO Study and Service Centre
(NSSC) Research and Design
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Relations with stakeholders
• Weak cooperation with the private sector (better in areas where there is a base of industry; significantly better at national level)
• Main reasons for not interacting with stakeholders (both qual and quant research)
– Values and ethics factors.
– Existing data must be reviewed; and the strong elements that already exist in underlying this relationship need to be examined
• Interactions with the private sector were often driven by
• Initiative on the part of the CSR or government person, who has an NGO/foundation background
• Interactions between stakeholders is highly dependent on the local context and personal relationships.
• Access was limited for some NGOs outside of patronage networks in areas where particular families or leaders had significant influence in the region
• Local NGOs have little interaction w/ donors
• The importance of interactions with community leaders was also picked up in the qualitative data
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Local NGO interactions with networks, other local NGOs and national NGOs

	Interactions with Networks		
	Yes	No	N
Interactions with other Local NGOs			
Yes	61.84	38.16	76
No	55.17	44.83	29
Interactions with national/regional NGOs			
Yes	65.67	34.33	67
No	50.00	50.00	38

QS AR01, yes/no response

See the next slide for key point

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Local NGO interactions with networks, other local NGOs and national NGOs

- Given the lack of and infrequent interaction with coalitions, there was a concern that local NGOs may have not been able to identify when they were/were not interacting with coalitions against interactions with other local NGOs.
- However, while there is some overlap on those that identified interacting with both; half, or nearly half said they interacted with neither, and there seems to have been a reasonable differentiation between the two types of stakeholders in the way answers were provided.

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Forms of support provided and reasons for not interacting

- Most forms of support provided by stakeholders to **LOCAL NGOs** was in the form of information/technical support and training (more than 50% of NGOs reported this for each stakeholder with which they had interaction), followed by support and joint advocacy work (particularly with government, other local NGOs, national NGOs and coalitions)
- If infrastructure was provided (few stakeholders provide this) it was mainly by government (1/3 of NGOs interacting with government reported this as a form of support)
- Funding less likely to be a form of support, and when it was it was mainly from government (1/4 NGOs reported this), and to a lesser degree from the private sector and national NGOs (small sample sizes)

For those not interacting with stakeholders

- Ethical reasons, lack of information was a key reason identified in the qualitative research and the survey
- Not many that tried had had a bad experience with most stakeholders
- However, a key reason for limited interaction with coalitions in the survey was they tried but didn't get a response – half of the 42 local NGOs that did not interact with coalitions cited this as a reason)
- Some weren't interested (this was a key reason for half of the 64 organisations reporting no interaction with the private sector, and for 1/3 of the 29 organisations that did not interact with other local NGOs)
- Other reasons were given by 2/3 of the 67 organisations that had no interaction with donors (requiring further investigation into the category of other in the survey)

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Interactions with Networks/Coalitions/Other NGOs/national orgs

- It is clear there are weak relations between local and national NGOs, and local NGOs with coalitions
- Relatively low levels of interaction among local NGOs (e.g. 50% only up to 4 times/3 years)
  - *Perhaps doesn't capture the informal person to person interactions?*
- Low levels of interactions may affect money coming from national to local NGOs (especially in the far districts)
- A lack of response was a key reason for poor interaction with coalitions, and lack of interest with other local NGOs

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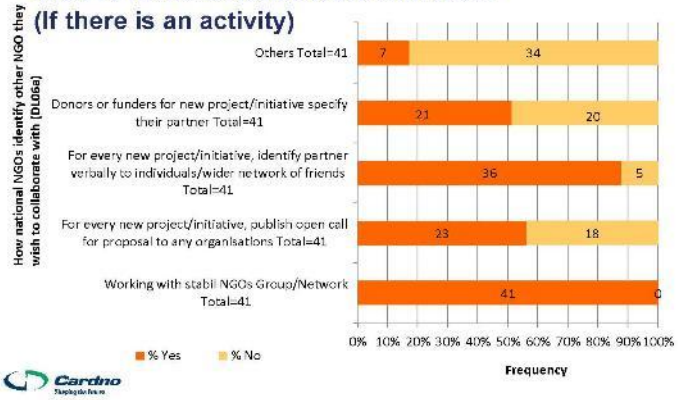
How National NGOs identify other NGOs that they wish to invite to collaborate with them (If there is an activity)



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Working with partners

- To identify NGOs to work with, national NGOs tend to work with stable groups and networks (all), and if there is a new project, use word of mouth or networks of friends to identify partners (nearly 90%).
- Around half have experienced donors or funding agents identify their partners for them; and half have also experienced making an open call for proposals.

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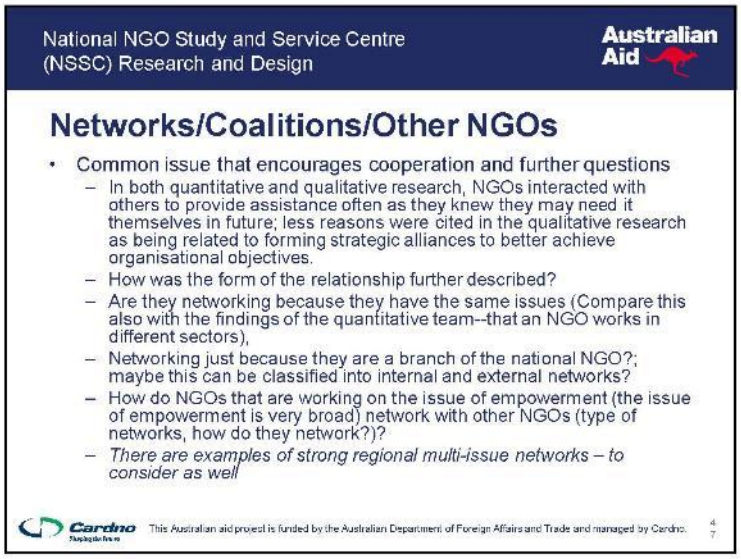
National NGO Study and Service Centre
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Networks/Coalitions/Other NGOs
• Common issue that encourages cooperation and further questions
– In both quantitative and qualitative research, NGOs interacted with others to provide assistance often as they knew they may need it themselves in future; less reasons were cited in the qualitative research as being related to forming strategic alliances to better achieve organisational objectives.
– How was the form of the relationship further described?
– Are they networking because they have the same issues (Compare this also with the findings of the quantitative team--that an NGO works in different sectors),
– Networking just because they are a branch of the national NGO?; maybe this can be classified into internal and external networks?
– How do NGOs that are working on the issue of empowerment (the issue of empowerment is very broad) network with other NGOs (type of networks, how do they network?)?
– There are examples of strong regional multi-issue networks – to consider as well
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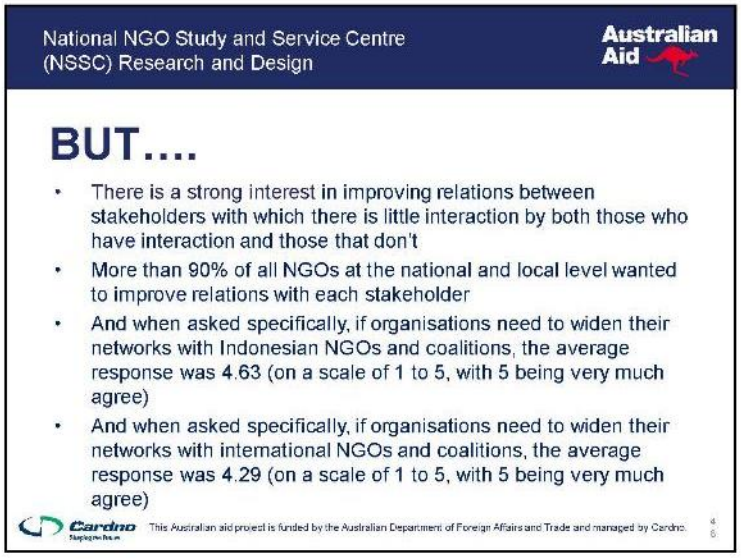
National NGO Study and Service Centre
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BUT....
• There is a strong interest in improving relations between stakeholders with which there is little interaction by both those who have interaction and those that don't
• More than 90% of all NGOs at the national and local level wanted to improve relations with each stakeholder
• And when asked specifically, if organisations need to widen their networks with Indonesian NGOs and coalitions, the average response was 4.63 (on a scale of 1 to 5, with 5 being very much agree)
• And when asked specifically, if organisations need to widen their networks with international NGOs and coalitions, the average response was 4.29 (on a scale of 1 to 5, with 5 being very much agree)
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The Desire of NGOs to Change Interactions (all NGOs responded)

Local NGOs (N=105)	National (N=30)
With Networks satisfied: 10% wish to improve: 89%	With Networks 7% satisfied: Wish to improve: 90% wish to cut down: 3%
With local NGOs 4% satisfied: wish to improve: 96%	
With national NGOs satisfied: 4% wish to improve: 96%	
With Government satisfied: 5% wish to improve: 95%	With Government satisfied: 4% wish to improve: 92%
With the private sector satisfied: 2% wish to improve: 95% wish to cut down: 3%	With the private sector satisfied: 0% wish to improve: 100%

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QS AR09, only one response may be given

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ACCOUNTABILITY & EVIDENCE BASED PROGRAMMING/ADVOCACY

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Accountability – Audits and Sharing Financial Reports

- Audit done by almost all national NGOs surveyed (96%) in the last 3 years
  - The majority of these on an annual basis (90% of 29 national organisations)
  - 41% of those by their own initiative plus 21% because of the supervisory body
- Local NGOs that report doing an audit in the last 3 years is significantly fewer (one quarter, i.e. 27%
  - Of the local NGOs that did an audit, the primary reason was because donors required it (54%) , though 21% reported that they did it because of staff initiative
- Around two thirds (of 42) national organisations reported that they shared a financial report to the public in the past 3 years. This number is low from an accountability perspective but significantly higher than local organisations (7% of 105 organisations)
- *These numbers still need to be explored in the context of organisational budget size as well as primary funding sources, as well as the linkage with the upward trend in "independent" funding. (Audits in particular are expensive)*
- *Challenges of "measuring" accountability. – Any other suggestions on accountability proxies, esp. for downward accountability?*

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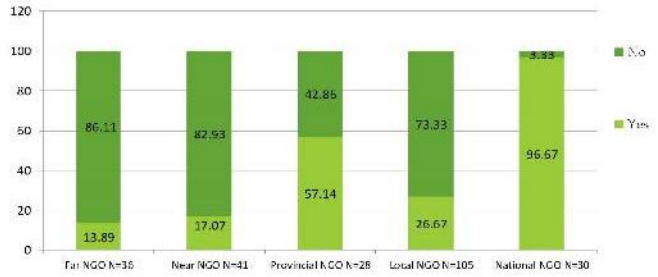
Financial audit



QS: PK05 Yes/No response

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Findings - NGO revenue

- The money is highly concentrated in the national organisations and somewhat at the provincial level, and within each level is highly concentrated in the hands of a relatively small group of organisations (as is seen from the large difference between mean and median). (Provincial and "high" near/far need to be screen for branches, as well.)
- Also note that it seems in the 'near sample, there are quite a lot of organisations that have no budget, and a larger number (the median) have small budgets – the budgets are more spread across the different quartiles in the far places it seems.

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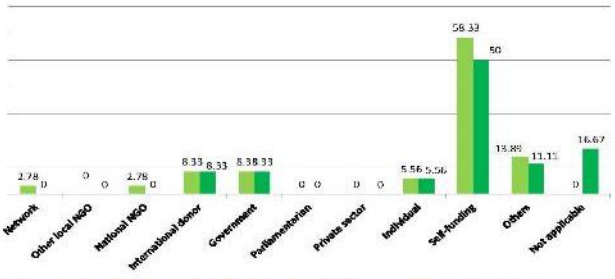
Most important source of funding for NGOs currently & 3 years ago (Far NGOs)



QS: DP02 the most important source of funding currently and DP04 the most important source of funding three years ago select one appropriate response

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National NGO Study and Service Centre (NSSC) Research and Design

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Financial statements published

- Local NGOs: 7% (N=105)
- National NGOs: 64% (N=42)

- Far NGOs: 2.78% (N= 36)
- Near NGOs: 9.76% (N= 41)
- NGOs in provincial capitals: 7.14% (N=28)

QS: KL08 Yes/No response

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Accountability & Evidence Based Programming /Advocacy

- A significant majority of both local and national organisations report that they have a mechanism/way to collect information on progress and outcomes for projects as well as at the organisational level
  - 97% of 105 local organisations and 100% of 30 national organisations
  - but what this actually constitutes and how it is used requires further exploration
- A very small proportion, and only of local organisations, report that they have no such mechanism (3%)

- Of those that collect information on their progress/outcomes (local and national)
  - Only 38% of local and 60% (13 of 22) national organisations report that they share a written report publicly. (Like audit numbers this should be crosschecked against organisational budget size and funding source)
  - 61% and 62% respectively report that they use it to improve things that are not working well
  - 51% and 60% analyse it as part of annual and long-term planning

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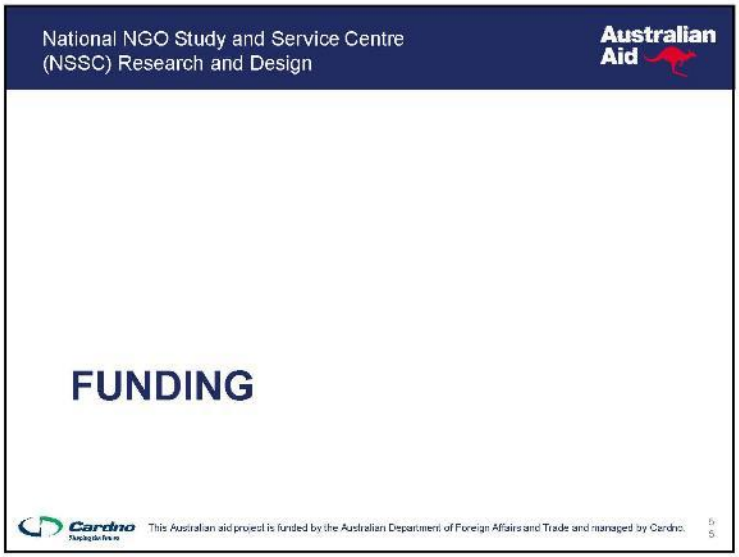

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The amount of NGO revenue in 2013 in IDR

	Far	Near	Provincial capitals	Local NGOs	National NGOs:
Minimum	0	0	0	0	0
25% percentile	2 million	0	60 million	1.8 million	1.5 billion
Median	11 million	2.5 million	500 million	20 million	2 billion
75% percentile	50 million	36 million	1 billion	150 million	6.8 billion
Maximum	1 billion	1 billion	10 billion	10 billion	200 billion
Mean	73 million	70 million	1.1 billion	340 million	15.5 billion
N	36	41	28	105	42

QS KL03, numeric response

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Findings - NGO revenue

- The money is highly concentrated in the national organisations and somewhat at the provincial level, and within each level is highly concentrated in the hands of a relatively small group of organisations (as is seen from the large difference between mean and median). (Provincial and "high" near/far need to be screen for branches, as well.)
- Also note that it seems in the 'near sample, there are quite a lot of organisations that have no budget, and a larger number (the median) have small budgets – the budgets are more spread across the different quartiles in the far places it seems.

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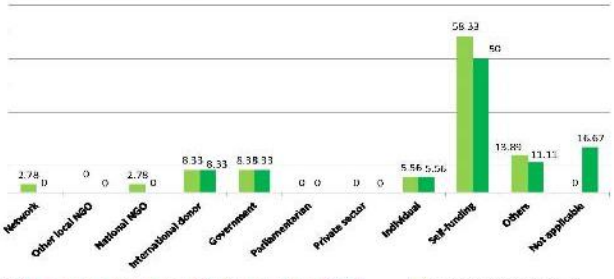
Most important source of funding for NGOs currently & 3 years ago (Far NGOs)



Q5: DP02 the most important source of funding currently and DP04 the most important source of funding three years ago select one appropriate response

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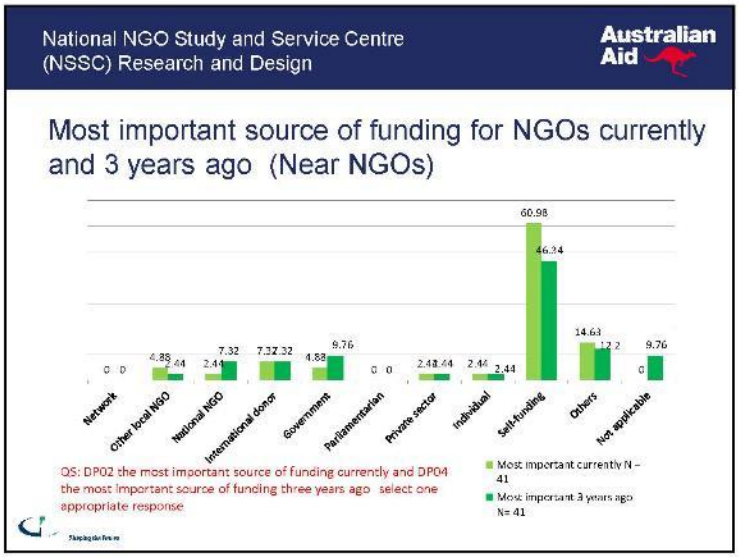
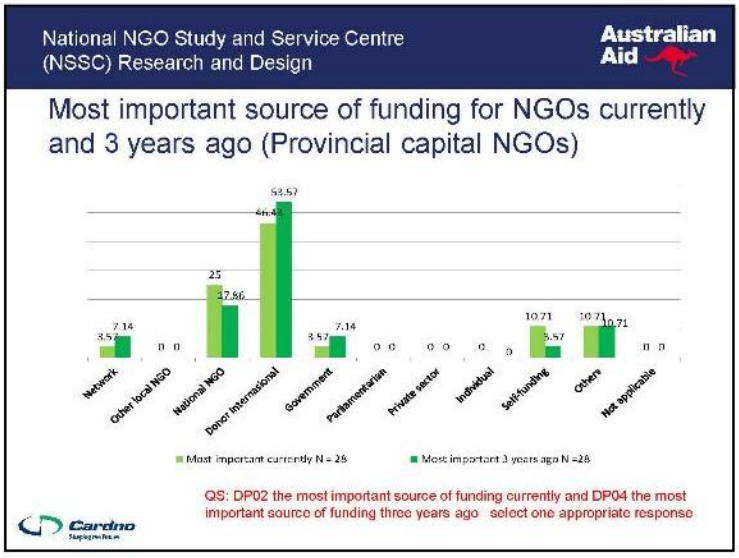

National NGO Study and Service Centre (NSSC) Research and Design
Australian Aid
Most important source of funding for NGOs currently and 3 years ago (Near NGOs)
60.98
46.34
14.63
12.2
9.76
7.32
4.88
2.44
0
Network
Other local NGO
National NGO
International donor
Government
Parliamentarian
Private sector
Individual
Self-funding
Others
Not applicable
QS: DP02 the most important source of funding currently and DP04 the most important source of funding three years ago select one appropriate response
Most important currently N = 41
Most important 3 years ago N= 41


National NGO Study and Service Centre (NSSC) Research and Design
Australian Aid
Most important source of funding for NGOs currently and 3 years ago (Provincial capital NGOs)
53.57
46.43
25
17.86
10.71
7.14
3.57
0
Network
Other local NGO
National NGO
Donor International
Government
Parliamentarian
Private sector
Individual
Self-funding
Others
Not applicable
Most important currently N = 28
Most important 3 years ago N =28
QS: DP02 the most important source of funding currently and DP04 the most important source of funding three years ago select one appropriate response
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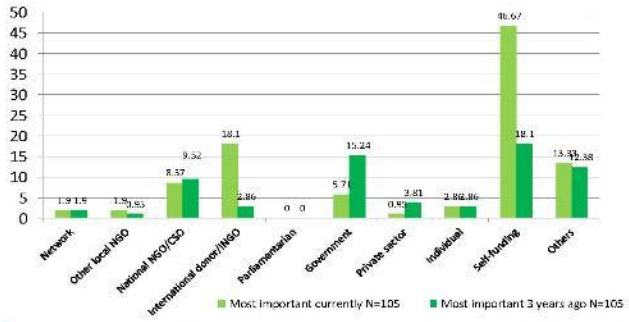
Most important source of funding for NGOs currently and 3 years ago (Local NGOs)



QS: DP02 the most important source of funding currently and DP04 the most important source of funding three years ago select one appropriate response

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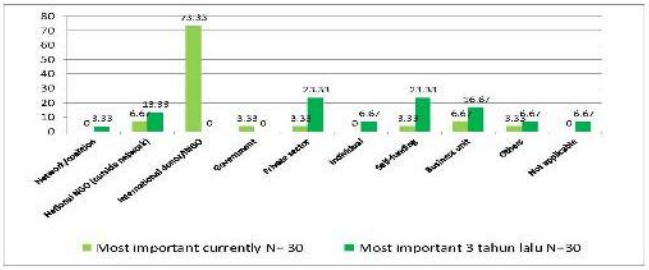
Most important source of funding for NGOs currently and 3 years ago (National NGOs)



QS: DP02 the most important source of funding currently and DP04 the most important source of funding three years ago select one appropriate response

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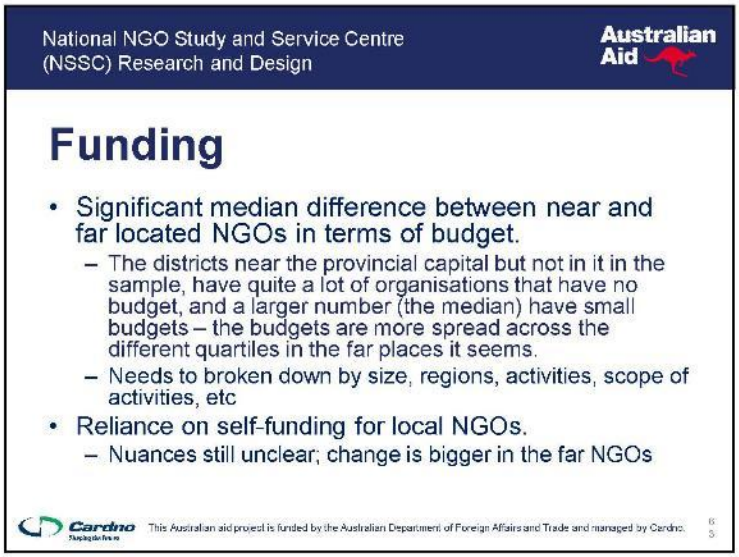
National NGO Study and Service Centre
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Australian Aid
Funding
• Significant median difference between near and far located NGOs in terms of budget.
– The districts near the provincial capital but not in it in the sample, have quite a lot of organisations that have no budget, and a larger number (the median) have small budgets – the budgets are more spread across the different quartiles in the far places it seems.
– Needs to broken down by size, regions, activities, scope of activities, etc
• Reliance on self-funding for local NGOs.
– Nuances still unclear; change is bigger in the far NGOs
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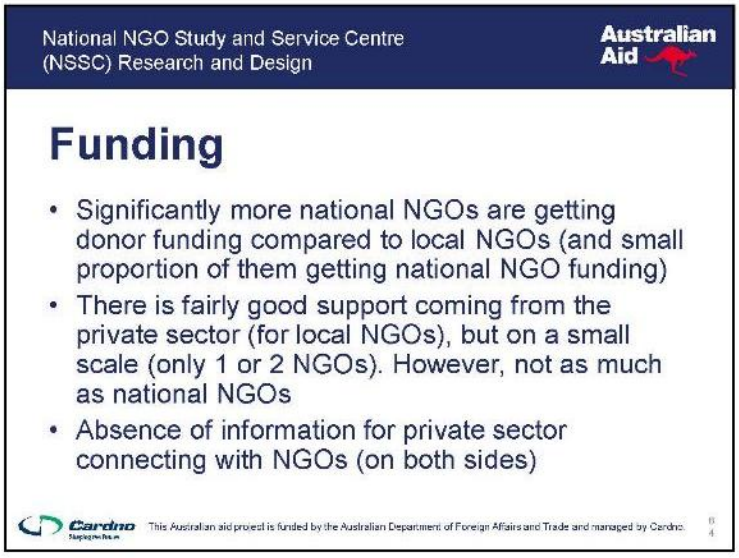
National NGO Study and Service Centre
(NSSC) Research and Design
Australian Aid
Funding
• Significantly more national NGOs are getting donor funding compared to local NGOs (and small proportion of them getting national NGO funding)
• There is fairly good support coming from the private sector (for local NGOs), but on a small scale (only 1 or 2 NGOs). However, not as much as national NGOs
• Absence of information for private sector connecting with NGOs (on both sides)
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National NGO Study and Service Centre
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Funding

- Govt funds tend to be used for event or joint activities
  - A few grant or programs
  - The types of organisations that will/will not accept government funds should be crosschecked
- Number of challenges to access the funding like fee cuts, procedural complexities, the suitability of the allocation of government funds with NGO activities
- *Public fundraising needs further investigation, as does the information gaps among the actors*
  - *Qualitative findings paper explores the latter*

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HUMAN RESOURCES & LEADERSHIP REGENERATION

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Human Resources - Profile

- While sample sizes are small, national orgs are more likely to have staff (paid and unpaid) and have more of each kind of staff - Part time paid staff 58%, whereas local NGOs have 20%. Does the size of the NGO affect that?
- 100% (n=42) national org at least have one full time staff
- Organisations at all levels have full time but unpaid staff
- Far organisations were more likely to have unpaid part time staff compared to all other types of regions
- When they had paid and unpaid staff part time staff, local orgs near to the capital cities were more likely to have greater numbers of these staff (compared to far), but proportions were similar for paid full time staff between near and far
- There are few female directors and deputy directors, but marginally more directors at the national compared to the local level
- In terms of full-time female staff, of those that had them, the bulk of the sample across the different types of regions (near, far) had either 10-25% of the staff who were female, or 25-50% of their staff who were female (this accounted form nearly 60% of the entire local sample); mainly provincial and national organisations had proportions higher than this, and numbers were small. Far NGOs in the regencies were more likely to have no female full-time paid staff

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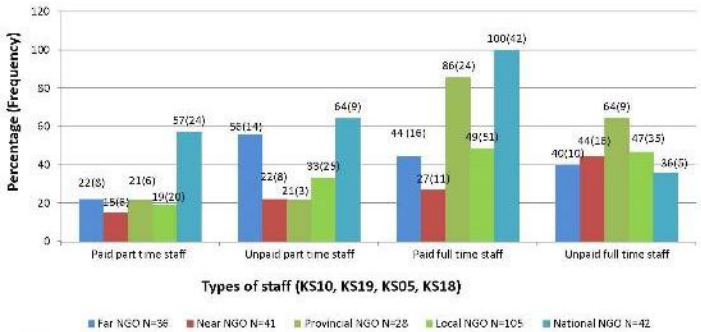
Types of Staff (% NGOs that have)



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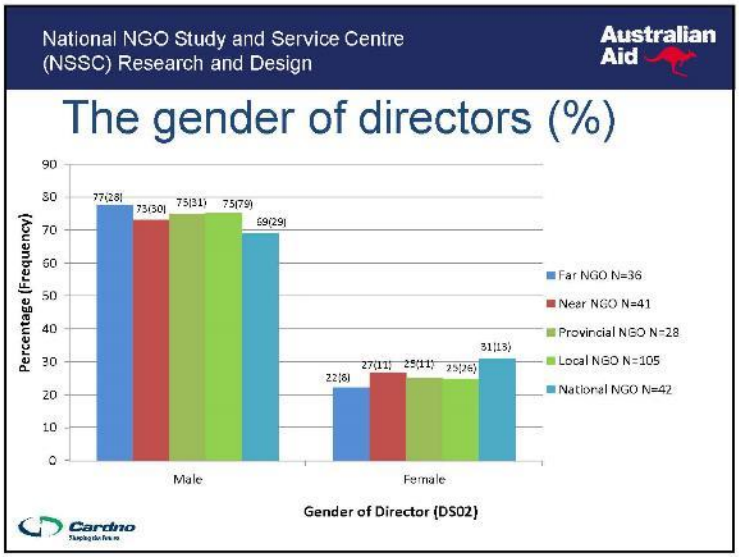
National NGO Study and Service Centre
(NSSC) Research and Design
Australian Aid
The gender of directors (%)
Percentage (Frequency)
90
80
70
60
50
40
30
20
10
0
77(28)
73(30)
75(31)
75(79)
69(29)
22(8)
27(11)
25(11)
25(26)
31(13)
Male
Female
Gender of Director (DS02)
Far NGO N=36
Near NGO N=41
Provincial NGO N=28
Local NGO N=105
National NGO N=42
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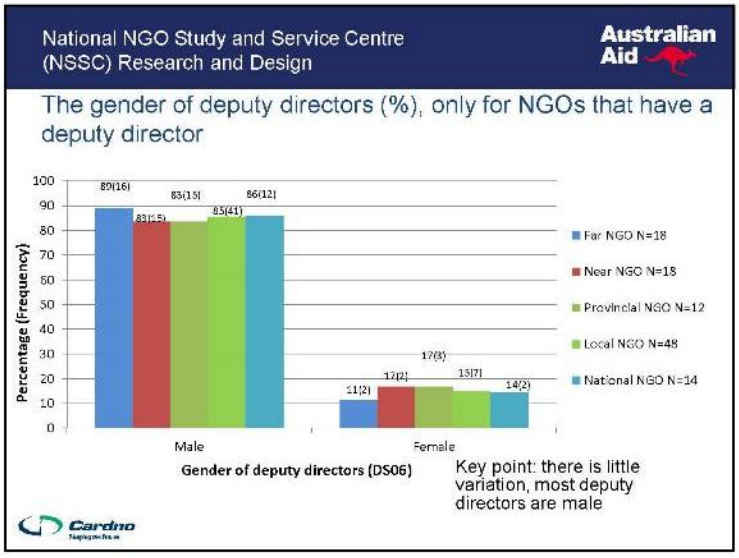
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The gender of deputy directors (%), only for NGOs that have a deputy director
Percentage (Frequency)
100
90
80
70
60
50
40
30
20
10
0
89(16)
83(15)
83(15)
85(41)
86(12)
11(2)
17(2)
17(8)
15(7)
14(2)
Male
Female
Gender of deputy directors (DS06)
Key point: there is little variation, most deputy directors are male
Far NGO N=18
Near NGO N=18
Provincial NGO N=12
Local NGO N=48
National NGO N=14
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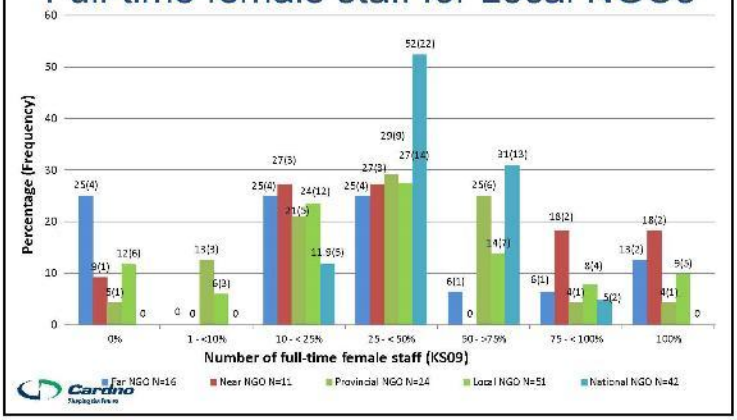
Full-time female staff for Local NGOs



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Human Resources - Quality

- In terms of staff quality more national org say that they have adequately skilled staff, not so with "far" organisations.
- There is little difference on this reporting between those that are branches or not of larger organisations
- Quite a number of local have university educated staff. National level more likely than local to have masters and beyond.
  - 4/5 of nat org had almost all of their staff with an undergraduate degree or above compare to 1/3 of local org
  - Half of the national organisations had directors with a bachelors degree, and a further third with a masters degree; 58% of local orgs had directors with a bachelors degree but only 7% had a Masters

The quality of human resources in general needs to be further explored because the results of the quantitative survey state that the quality of human resources at the local level is higher. However, from a qualitative perspective, it is not too clear what the challenges are in terms of human resources. Because based on what came out of the quantitative study, quality is not just about the level of education but is also a matter of skill.

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Quality of staff: Staff having sufficient skills based on location (only for NGOs that have paid staff, MG00=1)

The majority of the staff have sufficient skills

- Far Local NGOs: 57% (N=21)
- Near local NGOs: 80% (N=15)
- NGOs in provincial capitals: 80% (N=25)
- Local NGOs: 72% (N=61)
- National NGOs: 87% (N=30)

Key point, the further organisations are from an urban capital, the less likely that *the director or a member of senior staff* are to report that their organisation has suitably skilled staff

QS: MG05, select the appropriate response

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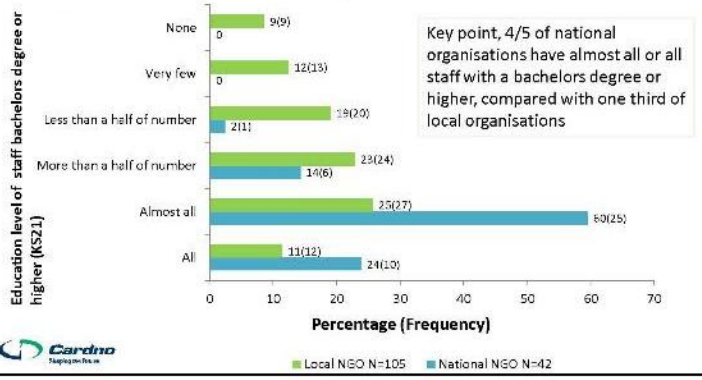
Education level of local and national NGOs' staff are bachelors degree or higher (%)



Key point, 4/5 of national organisations have almost all or all staff with a bachelors degree or higher, compared with one third of local organisations

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Quality of staff: Local NGO staff having sufficient skills based on branch vs. non-branch (only for NGOs that have paid staff, MG00=1)

Most organisations report that their staff are adequately skilled, and there is only a marginal difference between those in branches of larger NGOs with those who are not

Branch: 78% (N= 18)

Non-branch: 70% (N=43)

QS: MG05, select the appropriate response; VM01 Yes/No response

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Human Resources - Development

- The director seems to take most of HRM on local organisations 83% of 105 organisations (vs 50% in national orgs) only just over 1/3 saying 'appointed staff'/specialised staff took on the role (vs 74% at the national level
  - *These numbers still need to be contextualised in terms of number of staff (and size of budget)*
- 2/3 of local org and 4/5 of national organisations reported that they have plans and implement skills building; and there are similar proportions for those with paid staff.
  - *What has been done by the NGO, in real terms, to increase staff capacity? This data does not align with practical experience of the workshop participants*

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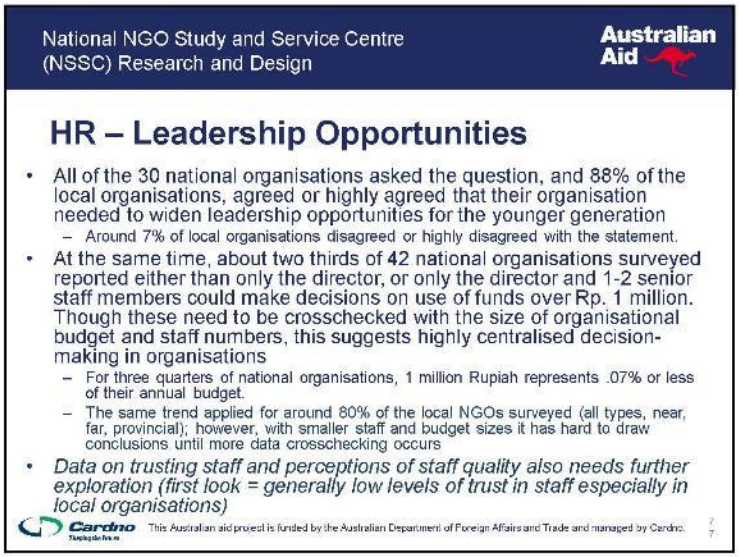
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HR – Leadership Opportunities
• All of the 30 national organisations asked the question, and 88% of the local organisations, agreed or highly agreed that their organisation needed to widen leadership opportunities for the younger generation
– Around 7% of local organisations disagreed or highly disagreed with the statement.
• At the same time, about two thirds of 42 national organisations surveyed reported either than only the director, or only the director and 1-2 senior staff members could make decisions on use of funds over Rp. 1 million. Though these need to be crosschecked with the size of organisational budget and staff numbers, this suggests highly centralised decision-making in organisations
– For three quarters of national organisations, 1 million Rupiah represents .07% or less of their annual budget.
– The same trend applied for around 80% of the local NGOs surveyed (all types, near, far, provincial); however, with smaller staff and budget sizes it has hard to draw conclusions until more data crosschecking occurs
• Data on trusting staff and perceptions of staff quality also needs further exploration (first look = generally low levels of trust in staff especially in local organisations)
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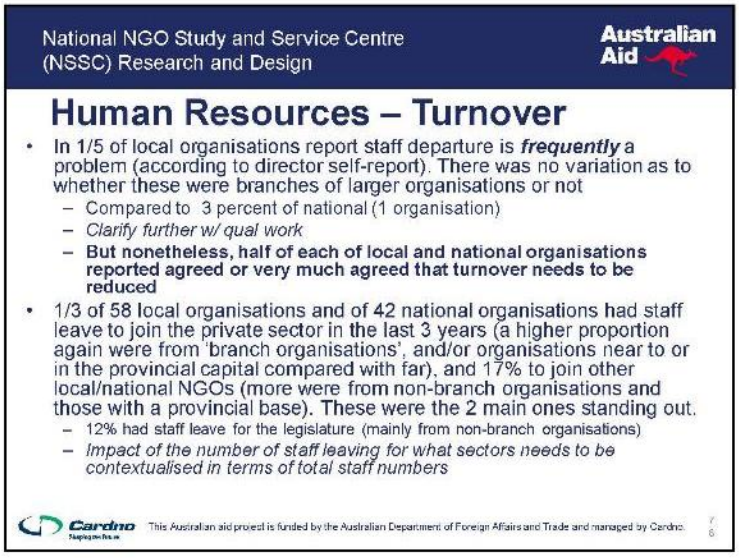
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Human Resources – Turnover
• In 1/5 of local organisations report staff departure is frequently a problem (according to director self-report). There was no variation as to whether these were branches of larger organisations or not
– Compared to 3 percent of national (1 organisation)
– Clarify further w/ qual work
– But nonetheless, half of each of local and national organisations reported agreed or very much agreed that turnover needs to be reduced
• 1/3 of 58 local organisations and of 42 national organisations had staff leave to join the private sector in the last 3 years (a higher proportion again were from 'branch organisations', and/or organisations near to or in the provincial capital compared with far), and 17% to join other local/national NGOs (more were from non-branch organisations and those with a provincial base). These were the 2 main ones standing out.
– 12% had staff leave for the legislature (mainly from non-branch organisations)
– Impact of the number of staff leaving for what sectors needs to be contextualised in terms of total staff numbers
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Staff turnover: Need to reduce

% agreed + % highly agreed to reduce:

- LSM Lokal Jauh: 38% dari total N=34
- LSM Lokal Dekat: 64% dari total N=39
- LSM Ibu Kota Propinsi: 52% dari total N=25
- LSM Lokal: 49% dari total N=98
- LSM Nasional: 47% dari total N=30

Berdasarkan cabang/non cabang:
Cabang: 57% dari total N=30
Non cabang: 50% dari total N=68

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The average number of staff from local and national NGOs with staff departures

	Local NGO		National NGO	
	Average	Of total N	Average	Of total N
Private Sector	4	17	4	13
Parliamentarian	2	7	1	8
Donor	2	3	3	15
Other local/national NGO	2	10	3	19
International NGO	2	4	2	14

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Human Resources - Regeneration

- *Debate about what is regeneration – what do we mean, what are the "standards," are we focused on organisational-level or sectoral-level (or both), and on staff or just leadership regeneration?*
- Half of both local (more so the provincially-based organisations) and national organisations say that they have clear plan of regeneration and actually implement regeneration strategies (*This is according to the survey respondents who were mainly senior leaders in the organisation)*
  - **However, nearly 2/3 of organisations that were branches of larger organisations said this was the case, vs 40% of those that were not branches**
- When regeneration occurring it seems to be most effective to work in established organisations.
  - The types of organisations makes a difference (e.g. foundations, associations) but a main factor is the role of a senior activist
  - when it happens it has an institutional basis (e.g. regulation)
  - *Qualitative findings present more information on university linking strategies; see also the approach of LBH (Legal Aid)*

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Regeneration 2x2

	+	-
+	+ + Horizontal and vertical regeneration are happening	+ - Only horizontal regeneration is happening
-	+ - Only vertical regeneration is happening	- - Neither horizontal or vertical regeneration is happening

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Cont…

- The features affecting regeneration takes on horizontal dimension, and vertical dimension, also potentially sectoral strengthening needs combination of the two (2 x 2)
  - Patronage network are shaping access.
  - Some of regeneration taking a shape spread through family.

  (note: Qualitative findings paper explores this topic)
- *Need survey data on the length of time the director and deputy director have been in their position, compared to when the organisations were founded, and the ages of the people needs to be explored further*

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POTENTIAL TOPICS FOR FURTHER RESEARCH

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Other Topics

- Inclusivity and gender and its influence on leadership, progress of the organisation, level of trust/accountability
- Contribution/role of national NGOs on local/sectoral NGOs (combine with related points)
- Public attitudes impact, perception, ways to change
- Impact of donor approaches/perceptions
- How programming decisions are made inside the NGO body
- Types of capacity building needs for NGOs

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Other Topics

- Self-funding
- Role of government or other third parties (e.g. support organizations; donors) to facilitate/help NGOs channel and access funding for community development (CSR) programs from the private sector
- Relationship/role of the People's Representative Council (DPR) with NGOs
- International networks and coalitions

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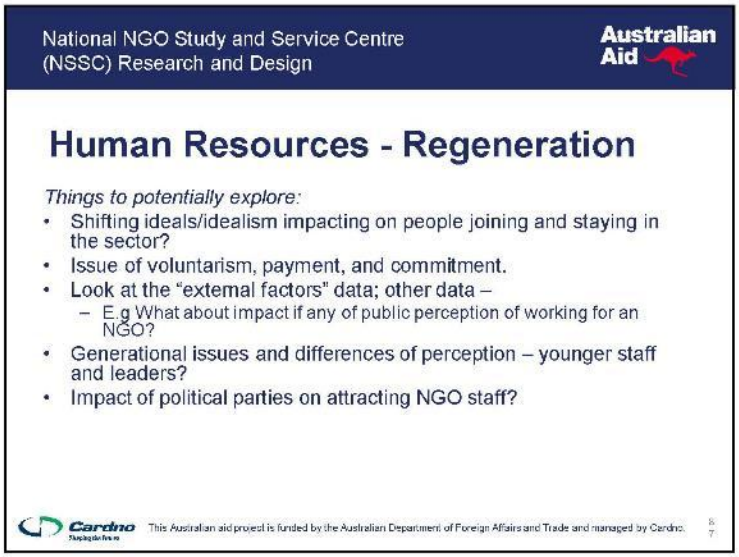
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Human Resources - Regeneration
Things to potentially explore:
• Shifting ideals/idealism impacting on people joining and staying in the sector?
• Issue of voluntarism, payment, and commitment.
• Look at the "external factors" data; other data –
– E.g What about impact if any of public perception of working for an NGO?
• Generational issues and differences of perception – younger staff and leaders?
• Impact of political parties on attracting NGO staff?
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